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United States Department of Agriculture

Economic Research Service

TS-178

December 1981

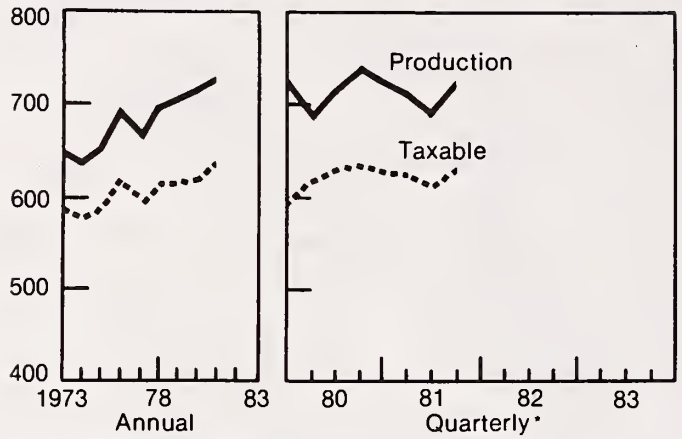
Tobacco

OUTLOOK & SITUATION

Tobacco Outlets

Trends in U.S. Manufactured Products and Exports

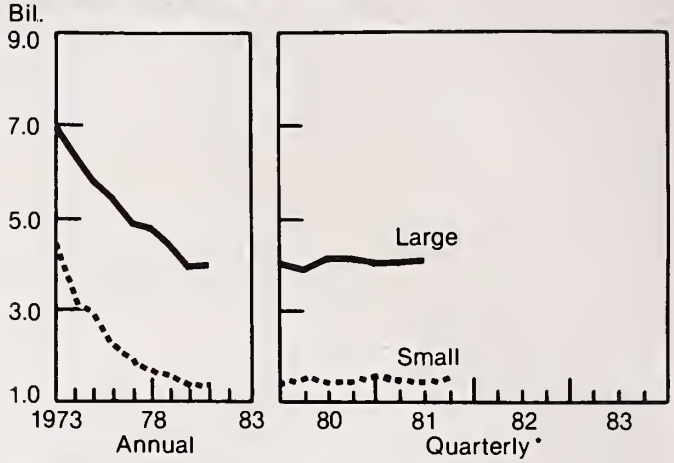
Cigarettes Production and Taxable Removals



Last quarter shown estimated.
*Seasonally adjusted at annual rates.

Neg. ERS 229-81 (11)

Cigars and Cigarillos Production



Last quarter shown estimated.
*Seasonally adjusted at annual rates.

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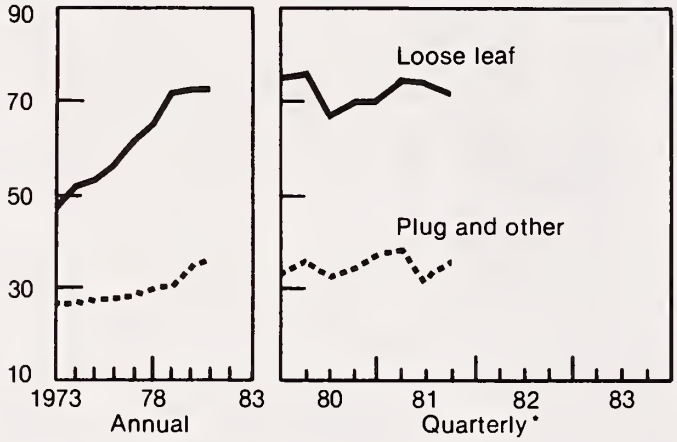
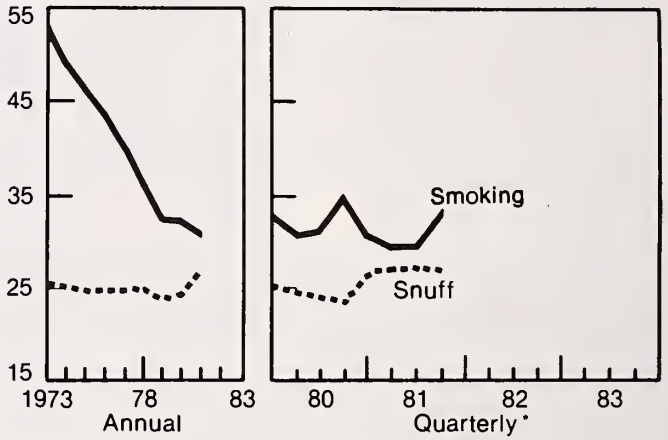
Chewing Production



Last quarter shown estimated.
*Seasonally adjusted at annual rates.

Neg. ERS 229-81 (11)

Smoking and Snuff Production



Last quarter shown estimated.
*Seasonally adjusted at annual rates.

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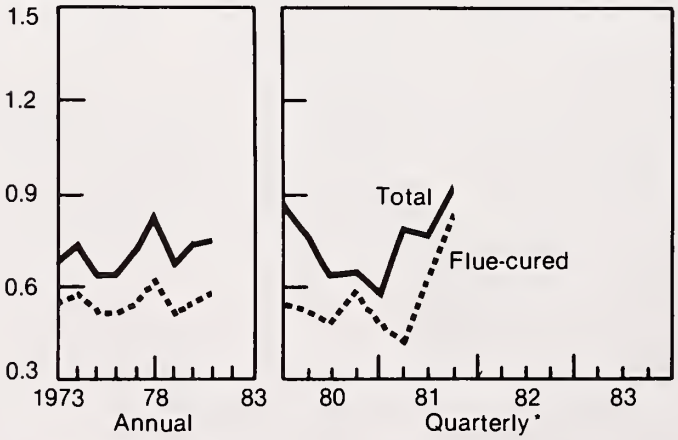
Leaf Exports, Farm-Sales Weight

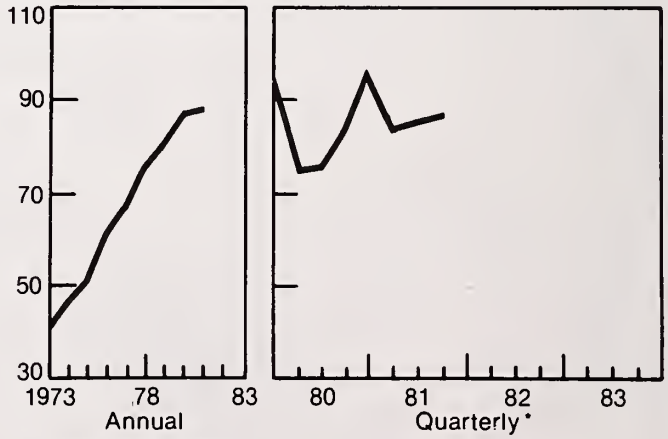


Last quarter shown estimated.
*Seasonally adjusted at annual rates.

USDA

Neg. ERS 229-81 (11)

Cigarette Exports



Last quarter shown estimated.
*Seasonally adjusted at annual rates.

Neg. ERS 229-81 (11)

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The *Tobacco Situation* is published in March, June, September, and December. Subscription for single issues is available at no charge upon request to principal contributors.

Summary

Total tobacco production is forecast at 2.03 billion pounds this year, 14 percent above last year's short crop. Increases in both acreage and yield caused the bigger crop. With improved growing conditions, producers turned out the largest burley output since 1963 and the highest yielding flue-cured crop since 1964. Less acreage is expected for 1982 because of lower effective quotas for flue-cured and burley.

U.S. tobacco use may gain from last marketing year but will still fall short of production, leaving next summer's ending stocks 5 percent above the 3.3 billion pounds carried into this year. Domestic tobacco supplies for 1981/82 are 5 percent larger than last season, because the crop is bigger and stocks are 1 percent larger.

The tobacco price support and allotment program remains in effect after the House and Senate defeated amendments to either eliminate or substantially change the program. But an amendment to the 1981 farm bill would require USDA to develop an acceptable no-cost alternative within the law. Tobacco organizations are reviewing options for the changes Congress is expected to consider.

Auction prices for flue-cured tobacco fell after mid-September, when late season demand weakened. But season-average prices were record high, up 14 percent from 1980. Burley sales began in late November, with prices averaging well above a year ago. But, fire-cured and dark air-cured tobaccos prices have been lower.

Total tobacco use in 1981/82 may be up from last year. U.S. exports of unmanufactured tobacco during July-October 1981 increased in volume from a year earlier, and vigorous auction buying suggests that shipments will likely go above year-ago levels during the rest of the season. A more adequate burley supply indicates that disappearance will likely recover from last year's lower use.

U.S. cigarette output for 1981 may rise 2 percent above 1980 because of gains in exports and domestic use. Despite reduced U.S. economic activity and continued antismoking efforts, a growing adult population should nudge total cigarette sales in 1982 a little higher than 1981's record high. Also, chewing tobacco production is recovering. In contrast, the volume of cigar and smoking tobacco is declining and may continue that way.

With the usual heavy year-end volume, U.S. exports of unmanufactured tobacco (leaf) may have recovered enough to equal last year's 599 million pounds (272,000 metric tons or 721 million pounds, farm-sales weight). The total export value is up. Prospects for next year's exports have improved because of the better quality of 1981 U.S. output and slower production gains overseas.

Imports of unmanufactured leaf and processed scrap grew to 31 percent of U.S. manufacturers' tobacco use last marketing year—30 percent of use in cigarettes and 43 percent in other products. January-October imports for consumption (factory use) were 25 percent above a year ago. This year's total, including the Customs category for scrap tobacco, is expected exceed last year's

394 million pounds. A similar amount could enter in 1982.

The flue-cured tobacco supply during July 1981-June 1982—3.16 billion pounds—is up 2 percent from last year, reflecting the larger crop. Increased buying by domestic manufacturers and exporters pulled this year's grower prices to a record $1.66 a pound, 22 cents above 1980. With marketings above indicated use, ending stocks are expected rise 50 million pounds above this year's 2.01 billion pounds.

The national flue-cured marketing quota for 1982 is the same as 1981. Tentatively, the effective quota (reflecting adjustments for net overquota marketings is 979 million pounds, 12 percent lower than 1981. Price support is expected to go up 11 percent next season, reflecting a rise in the USDA Prices Paid Index.

The burley tobacco supply for October 1981-September 1982 is 1.72 billion pounds, 5 percent above last season. However, the October 1 carryover dropped because of the short crop last season. As of December 1, the 1981 crop forecast is 720 million pounds, 29 percent above 1980's outturn. Burley auctions opened November 23, and prices for the first three weeks averaged $1.80 a pound, 14 cents above last year. Over three-fourths of the crop may be sold in the pre-Christmas sales period.

The burley marketing quota and acreage allotments for several other kinds types under quota will be announced by February 1. Supplies of the Maryland, fire-cured, dark air-cured, and cigar tobaccos are above last season. As it now stands, the 1981 farm bill would, effectively, prohibit the growing of Maryland tobacco outside of that State.

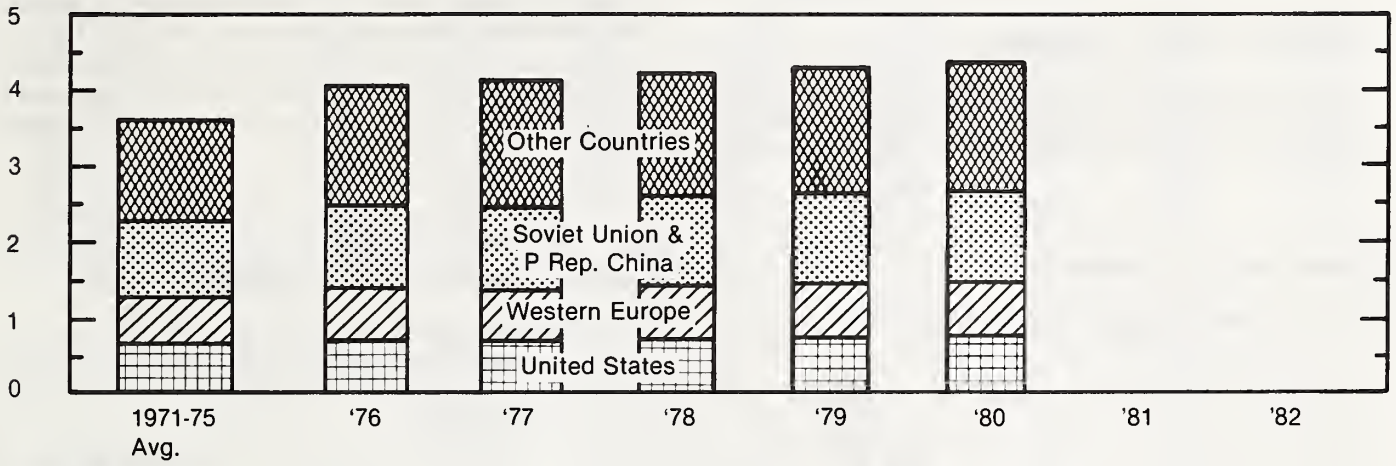
Schedule of 1982 release dates of tobacco reports issued by Economic Research Service and Statistical Reporting Service, USDA

Release date	Name of Report
January 14	Crop Production Annual Summary - final 1981 crop data
January 21	Crop Values - average prices received and value of production
March 9	Tobacco Situation Summary
February 18	Prospective Plantings - 1982 crop
May 10	Crop Production - revised 1981 data
June 7	Tobacco Situation Summary
June 29	Planted acreage - 1982 crop
June 30	Agricultural Prices - Annual Summary 1981
July 12	Crop Production - 1982 flue-cured crop
August 11	Crop Production - all classes and types
September 10	Crop Production - all classes and types
September 14	Tobacco Situation Summary
October 12	Crop Production - all classes and types
November 10	Crop Production - all classes and types
December 9	Tobacco Situation Summary
December 10	Crop Production - 1982 burley crop
last week day of each month	Agricultural Prices - prices received by farmers

Reports are issued at 3 p.m.

Crop Reports and Prices received available from Crop Reporting Board, SRS, USDA, Room 5829 South Bldg. Washington, D.C. 20250. *Tobacco Situation* Summary available from the News Center, GPA, Room 404-A, USDA, and from Information Staff, ERS, Room 451 GHI Bldg., Washington, D.C. 20250.

World Cigarette Output



Latest year preliminary.

USDA

Neg. ERS 2324-81 (11)

Table 1—Cigarettes: U.S. output, removals, and consumption, 1972-1981

Year	Output	Removals Tax-exempt					Estimated inventory increase	Total U.S. consumption[3]
		Taxable	Total	Exports	Shipments[1]	Overseas forces[2]		
					Billions			
1972	599.1	551.0	49.0	34.6	2.1	12.3	-3.3	566.8
1973	644.2	590.3	55.9	41.5	2.0	12.4	13.1	589.7
1974	635.0	576.2	59.2	46.9	1.9	10.4	-12.1	599.0
1975	651.2	588.3	62.3	50.2	1.5	10.6	-7.7	607.2
1976	693.4	617.9	72.1	61.4	1.9	8.8	13.5	613.5
1977	665.9	592.0	78.1	66.8	1.1	10.2	-14.4	617.0
1978	695.9	614.2	85.1	74.4	1.2	9.6	8.2	616.0
1979	704.4	614.0	93.2	79.7	1.1	12.4	5.4	621.5
1980	714.2	620.7	94.2	82.0	1.0	11.2	2.3	631.5
1981[4]	730.0	641.5	95.0	84.0	1.0	10.0	5.0	642.0

[1]To Puerto Rico and other U.S. possessions. [2]Includes ship stores and small tax-exempt categories. [3]Taxable removals, overseas forces, inventory change and imports (negligible). [4]Estimated.

Compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms and the Bureau of the Census.

TOBACCO PRODUCTS

Cigarette Production Higher

Rising sales pushed 1981 cigarette production to a record level—2 percent above 1980 (table 1).

U.S. consumption totaled 485 billion cigarettes during January-September 1981, 7 billion above a year earlier. Based on State cigarette tax receipts, unit sales for the first 9 months of 1981 registered a 2-percent gain over the corresponding period of 1980. Despite the slowdown in several sectors of the economy, total cigarette consumption may continue to show small gains over the next 12 months. Sales of low-tar, low-nicotine cigarettes continue to grow as consumers shift from other brands. For 1981, low-tar cigarettes accounted for about two-thirds of the domestic market, compared with just less than half the market last year.

Retail cigarette prices in 1981 have averaged 8 percent higher than last year, which is less than the general rise for all consumer prices. Six States raised cigarette taxes this year, compared with four in 1980. By September, the weighted-average State tax was 13.4 cents a pack, 0.3 cents above a year earlier (table 3).

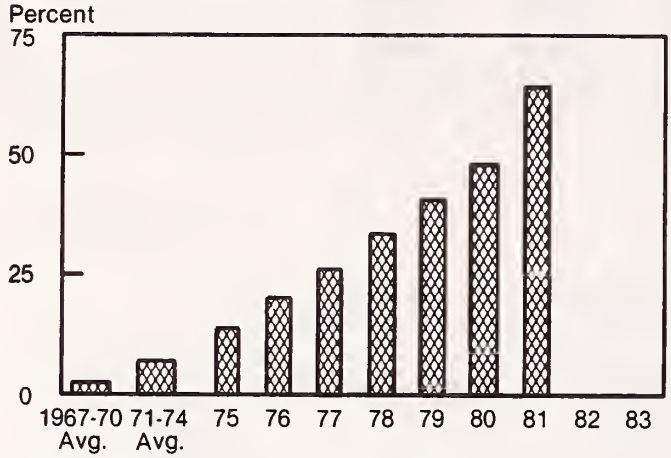
Smokeless Tobacco Use Gaining

Chewing tobacco output increased in the third quarter, although sales of looseleaf plug, and fine cut tobaccos remained stable. Total production for 1981 may exceed last year's figure by 4 percent. Snuff production is also above 1980 (table 2).

Third-quarter domestic use of smoking tobacco—including imports—remained below a year earlier. For all of 1981, smoking tobacco consumption will likely drop slightly from 1980 (table 4).

Consumption of large cigars (including cigarillos) totaled 2.9 billion during January-September, 2 percent less than a year earlier. The 1981 total will be down by a similar percentage (table 2). With rising prices, a larger share of sales have become concentrated in the higher price categories, and this pattern is expected to continue in 1982.

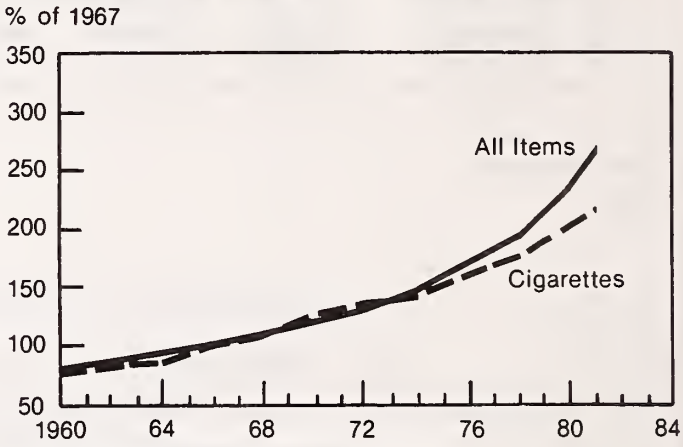
Cigarettes Low-Tar Market Share°



°15 mg. "Tar" or less. Federal Trade Commission Data.
Latest year estimated.

USDA Neg. ERS 7143-81 (11)

Consumer Price Index and Cigarette Prices



BLS Data. Beginning 1978 for all urban consumers.
Cigarettes, filter tip, king size for 1960-77.

USDA Neg. ERS 7145-81 (11)

Table 2—Cigars and smoking tobacco: Output, removals, and consumption, 1978-81

Year and item	United States factories			From Puerto Rico, taxable	Imports	Exports	Total U.S. consumption[1]
	Output	Removals					
		Taxable	Tax-exempt				
				Millions			
Large cigars[2]							
1978	3,795	3,621	164	986	99	166	4,702
1979	3,601	3,353	179	842	107	177	4,304
1980	3,454	3,291	201	590	119	[3]200	4,001
1981[3]	3,500	3,240	180	550	130	180	3,920
				Million pounds			
Smoking tobacco							
1978	36.4	35.2	.8	—	8.9	.9	44.2
1979	32.8	32.3	.9	—	[4]7.0	.9	39.3
1980	32.2	30.6	.8	—	[4]6.8	.8	37.4
1981[3]	30.5	30.0	.8	—	7.0	.8	37.0

[1]Total removals (or sales) from U.S. and Puerto Rico, factories plus imports, minus exports. [2]Includes cigarillos. [3]Estimated. [4]From European countries. Excludes leaf exporting countries normally not suppliers of packaged tobacco.

Compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms, Bureau of the Census, and Agricultural Marketing Service, USDA.

Table 3—Wholesale cigarette price revisions, 1977-81[1]

Approximate date of change[2]	Net price per 1,000				Net price per 1,000 excluding Federal excise tax			
	Standard	King size	Filter tips	100 millimeter	Standard	King size	Filter tips	100 millimeter
	Dollars							
August 1977	14.35	14.35	14.35	14.85	10.35	10.35	10.35	10.85
June 1978	15.20	15.20	15.20	15.70	11.20	11.20	11.20	11.70
Dec. 1978	15.75	15.75	15.75	16.25	11.75	11.75	11.75	12.25
June-July 1979	16.30	16.30	16.30	16.80	12.30	12.30	12.30	12.80
Jan. 1980	17.05	17.05	17.05	17.55	13.05	13.05	13.05	13.55
May 1980	17.65	17.65	17.65	18.15	13.65	13.65	13.65	14.15
November 1980	18.50	18.50	18.50	19.00	14.50	14.50	14.50	15.00
April 1981	19.35	19.35	19.35	19.85	15.35	15.35	15.35	15.85
September 1981	20.20	20.20	20.20	20.70	16.20	16.20	16.20	16.70

[1]Includes leading brands. A 3 percent discount is made for payment within 10 days or 2 percent within 14 days. [2]For 1940-74. see TS-151, March 1975; 1974-76, see TS-177, September 1981.

Table 4—Tobacco products: Output, 1979-81

Item	1979	1980[1]	1981[2]
	Million pounds		
Chewing tobacco			
Plug	15.3	17.3	19.0
Twist	2.0	1.9	1.8
Fine-cut	13.3	14.7	15.0
Loose leaf	71.7	72.1	72.2
Total	102.3	106.0	108.0
Snuff	23.7	24.3	26.3
Smoking tobacco in bulk (exports)	22.5	6.4	5.0
Manufactured smoking tobacco (exports)	4.4	11.1	5.0
	Millions		
Small cigars	1,539	1,440	1,450

[1]Subject to revision. [2]Estimated.

Basic data compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms, and Agricultural Marketing Service, USDA.

Table 5—U.S. cigarette exports leading destinations, 1980-81

Country		January-October	
	1980	1980	1981[1]
	Billions		
Belgium-Luxembourg	18.4	15.3	15.5
Hong Kong	7.6	6.3	6.7
Netherlands Antilles	4.0	3.6	3.4
Japan	3.6	3.0	4.3
Saudi Arabia	4.2	3.8	4.1
Spain	2.4	2.2	.8
Kuwait	3.6	3.0	2.1
United Arab Emirates	4.4	3.4	3.1
Canary Islands	3.2	2.7	1.7
Syrian Arab Republic	.6	.3	.7
Lebanon	1.3	1.2	2.6
Panama	2.1	1.7	1.5
Other countries	26.6	22.7	23.3
Total	82.0	69.1	69.8

[1]Subject to revision.

Compiled from publications and records of the Bureau of the Census.

U.S. EXPORTS AND IMPORTS

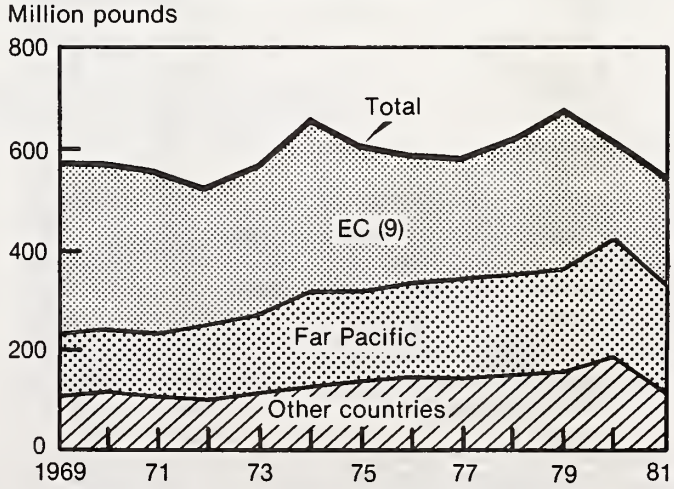
Exports May Pick Up in 1982

Exports of unmanufactured tobacco during July-October were above a year earlier but, for January-October, totaled 6 percent below a year ago. Shipments during the last 2 high-volume months of the year could rise above November-December 1980. Total 1981 exports may equal 1980's 599 million pounds (272,000 metric tons, equivalent to 690 million pounds farm-sales weight) (table 5).

Calendar 1982 exports could rise a little and go beyond the 1975-79 average of 606 million pounds. More adequate U.S. supplies of desirable grades and smaller production gains overseas may offset higher domestic prices and less favorable dollar exchange rates.

For January-October 1981, flue-cured and burley—the principal export classes—registered decreases, as did Virginia fire-cured and cigar leaf (table 6). Among major U.S. markets, Europe, including the European

Export Markets for U.S. Tobacco



Unmanufactured, declared weight, year ending June 30.

USDA Neg. ERS 487-81 (11)

Community (EC), took less U.S. tobacco, while Far Eastern markets, including Japan, purchased more (table 5 and 6). There were no exports under USDA-financed programs this past fiscal year (table 7).

Import Rise Continues

Through October, U.S. tobacco imports for consumption (duty-paid) were 25 percent above a year earlier (table 8). The gain occurred in cigarette tobacco, including the manufactured or not manufactured category. Oriental tobacco, the major import class, was up slightly, reflecting larger cigarette output. Burley imports increased sharply, because of reduced domestic supplies. Cigar leaf and scrap purchases rose in line with improved sales prospects for higher priced cigars. Imports could continue to increase in 1982 because of their substantial competitive the advantage over domestic tobacco.

U.S. stocks of foreign-grown cigarette and smoking tobacco rose over the past 12 months. On October 1, 1981, stocks totaled 752 million pounds (farm-sales weight), 5 percent above a year earlier. Almost six-tenths of the foreign-grown stocks consisted of flue-cured and burley.

Table 6—United States exports unmanufactured tobacco by type and to principal importing countries, 1977-81 (Declared weight)

Type of country	1977	1978	1979	1980[1]	January-October 1980	January-October 1981[2]	1981 as a percentage of 1980
				Million pounds			
Percent							
Type:							
Flue-cured	411.7	454.8	370.6	391.1	288.2	276.1	96
Burley	79.1	91.0	82.1	90.8	88.6	68.6	77
Maryland	7.7	10.6	6.0	7.1	5.7	5.8	101
Fire-cured, Ky. and Tenn.	19.1	22.6	13.7	14.6	12.9	13.8	107
Virginia fire and sun-cured	3.7	2.5	3.1	2.9	2.8	1.4	50
Green River and One Sucker	.1	.7	.2	.1	.1	.2	200
Black Fat	2.7	2.6	3.2	2.6	1.9	2.4	126
Cigar wrapper	4.1	3.7	5.3	4.2	3.7	2.4	65
Cigar binder	.2	*	.1	.2	.2	.1	50
Cigar filler	.3	.2	.2	.2	.2	.5	250
Perique	.1	.1	.1	.1	*	*	—
Stems, trimmings and scrap	99.9	98.9	77.2	77.5	56.1	61.6	110
Other, not elsewhere classified	—	12.4	5.7	7.2	6.7	7.8	116
Total	628.6	700.0	567.5	598.7	467.3	440.7	94
Country of destination:							
United Kingdom	46.8	148.8	68.2	32.5	21.2	32.0	151
France	6.3	9.8	11.5	4.5	3.3	5.7	173
Belgium-Luxembourg	10.4	16.9	5.4	7.9	6.2	6.9	111
Netherlands	30.5	34.2	29.3	44.9	37.9	24.2	64
West Germany	78.9	53.2	67.7	100.7	88.1	67.3	76
Denmark	16.9	27.1	16.4	17.5	15.9	8.9	56
Ireland	5.4	5.3	6.9	3.6	3.0	3.8	127
Italy	40.6	41.0	34.8	30.7	28.8	25.9	90
Subtotal EC	235.8	336.3	240.2	242.2	204.4	174.7	85
Switzerland	28.8	26.2	19.3	20.1	14.2	16.1	113
Finland	5.3	7.7	7.0	9.5	7.7	8.8	114
Norway	6.0	4.2	5.7	6.8	6.5	3.4	52
Sweden	11.8	17.5	13.7	15.4	12.8	9.5	74
Spain	5.1	19.9	1.0	28.7	27.0	28.1	104
Thailand	16.0	18.2	18.8	22.6	22.6	18.4	81
Republic of Korea	9.8	9.9	13.1	13.6	13.6	10.7	79
Malaysia	12.2	10.7	8.4	8.4	7.7	5.1	66
Phillippines	15.4	13.9	11.4	11.5	10.1	10.4	103
Taiwan	20.6	25.8	41.4	14.1	3.7	2.8	76
Japan	135.4	102.2	95.9	82.1	28.1	59.4	211
Australia	14.2	12.3	12.4	13.1	10.5	8.5	81
New Zealand	5.0	3.7	4.0	3.7	3.3	2.8	85
Egypt	26.7	24.5	3.8	17.4	17.4	16.1	93
Other countries	80.5	67.0	71.3	89.2	77.6	65.7	85
Total	628.6	700.0	567.4	598.7	467.3	440.7	94

[1]Subject to revision. [2]Preliminary. *Less than 50,000 pounds. Detail may not add to total due to rounding.

Compiled from publications and records of the Bureau of the Census.

Table 7—Exports of unmanufactured tobacco under Government-financed programs and commercial sales, fiscal years, 1977-81

Year ending September 30	Government-financed exports			Commercial exports			Total unmanufactured tobacco exports
	Long-term dollar credit sales Title I, P.L. 480	Mutual Security and AID	Total	Dollar sales: CCC short term credit	Dollar sales: Other	Dollar sales: Total	
				Quantity (export weight)			
				Million pounds			
1977	29.9	15.2	45.1	35.4	573.4	608.9	638.8
1978	.6	20.5	21.1	24.2	575.9	600.1	600.7
1979	3.3	9.0	12.3	31.3	588.8	620.1	632.4
1980	1.0	14.1	15.1	12.1	596.1	608.2	623.3
1981[1]	—	7.8	7.8	—	548.0	548.0	555.8
				Value			
				Million dollars			
Year ending Sept. 30							
1977	35.4	18.8	55.7	66.9	942.8	1,009.7	1,065.4
1978	1.1	28.9	30.0	46.1	1,055.7	1,101.8	1,131.8
1979	6.7	22.0	28.7	69.1	1,194.4	1,263.5	1,292.2
1980	2.7	35.3	38.0	31.4	1,274.2	1,305.6	1,330.8
1981[1]	—	20.0	20.0	—	1,318.5	1,318.5	1,338.5

[1]Subject to revision.

For 1960-76 data see TS-157, September 1976, p.14.

1981 TOBACCO LEGISLATION

In debating the 1981 farm bill, both the U.S. Senate and the House of Representatives considered amendments to the tobacco price support and allotment program. However, these amendments to either eliminate or substantially change the program were defeated. The House did pass unanimously a provision that requires USDA to operate the tobacco program at no cost except for administrative expenses and to recommend legislative changes needed to implement the provision. Recommendations are to be submitted during January 1982. Also enacted was a provision that requires USDA to assess penalties on those who grow Maryland type-32 tobacco outside of that State.

In 1982, Congress is expected to hold hearings on possible program changes. Despite their relatively low cost to the Federal Government, program provisions such as marketing quotas, U.S. support prices above foreign prices, and allotment ownership by nonfarmers have been sharply criticized.

THE TOBACCO LEAF SITUATION AND OUTLOOK[1]

1981 Crop Highlights

In response to 5-percent larger acreage and 8-percent higher yields, 1981 tobacco production is forecast to be 13.5 percent above last year. Also, the quality of the crop improved with a return to more moderate temperatures and a better distribution of rainfall. Flue-cured had a lower effective quota this season, while burley's was up. Acreage of all tobacco was the largest since 1976, and production per acre gained in most States (table 9 and 10).

Substantially larger crops of flue-cured and burley have brought larger supplies, but prices for the current season are likely to average 15 cents a pound above last year and set a record. However, the gain is still short of the rise in support levels. Due to the increase in quality, the volume of tobacco placed under loan this season is falling below that of 1980. With the larger crop and higher prices, farmers' cash receipts from 1981 tobacco marketings are about a fourth above 1980, setting a record.

[1]All quantities in this section are stated in the farm-sales-weight equivalent unless otherwise noted.

Table 8 - U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, 1980, and January-October 1980-81 1/

(Declared weight)

Classification and country of origin	Imports for consumption				General imports (arrivals)			
	Year 1980	January-October 1980	January-October 1981 1/	1981 as a percentage of 1980	Year 1980	January-October 1980	January-October 1981 1/	1980 as a percentage of 1980
	---Million pounds---			Percent	---Million pounds---			Percent
Cigarette tobacco:								
Leaf:								
Oriental								
Turkey	106.2	92.7	88.0	95	89.3	83.2	103.7	125
Greece	23.3	20.3	22.3	110	22.6	22.1	25.0	113
Yugoslavia	13.1	11.5	11.1	97	11.8	9.7	7.2	74
Bulgaria	10.5	8.8	10.8	123	11.5	9.4	14.7	156
Other countries	23.0	19.8	24.2	122	13.7	10.9	14.3	131
Flue-cured	10.4	8.4	14.1	168	22.4	20.2	9.8	49
Burley	26.2	15.1	31.7	210	55.2	51.7	45.1	87
Other	1.8	1.1	3.1	282	2.7	2.3	1.3	57
Subtotal	214.4	177.7	205.4	116	229.1	209.5	221.1	106
Scrap 2/:								
Brazil	21.3	21.0	2.4	11	24.9	24.8	2.4	10
Korea, Republic of	9.4	9.4	.4	4	13.4	13.3	.3	2
Italy	3.2	3.2	.5	15	4.3	4.3	.4	9
Mexico	2.2	2.1	.7	33	1.7	1.6	.5	31
Turkey	7.7	6.4	5.7	89	10.1	10.1	3.6	36
Zimbabwe	6.1	6.1	.1	1	6.8	6.8	.1	1
Other countries	28.3	27.6	6.2	23	25.6	25.0	6.1	24
Subtotal	78.2	75.7	16.0	21	86.8	85.9	13.4	16
Total	292.6	253.4	221.4	88	315.9	295.4	234.8	79
Cigar tobacco:								
Wrapper	1.7	1.5	.9	60	2.0	1.2	.9	75
Filler-stemmed and unstemmed								
Dominican Republic	1.2	1.0	1.2	120	6.2	5.1	4.4	86
Other countries	3.5	3.2	4.6	144	19.7	16.0	14.4	90
Subtotal	4.8	4.2	5.8	138	25.9	21.1	18.8	89
Scrap								
Philippine Republic	10.1	8.5	7.6	89	6.6	6.0	7.3	122
Indonesia	5.4	4.4	5.8	132	6.6	5.0	5.1	102
Dominican Republic	6.5	5.5	5.9	107	2.2	1.8	3.5	194
Brazil	2.9	2.2	2.9	132	2.3	2.2	5.1	232
Other countries	16.0	13.7	13.9	101	12.5	11.0	11.8	107
Subtotal	40.9	34.3	36.1	105	30.2	26.0	32.8	126
Total	47.4	40.0	42.8	107	58.1	48.3	52.5	109
Stems	25.7	23.8	35.3	148	30.8	28.5	42.3	148
Total, unmanufactured	365.6	317.2	299.6	94	404.8	372.2	329.6	89
Manufactured or not manufactured, not specifically provided for, other								
Brazil	7.9	4.1	30.8	751	8.2	7.7	41.4	534
Korea, Republic of	6.9	5.2	20.1	387	3.0	2.5	27.8	*
Malawi	.0	.0	1.1	*	1.9	.6	6.7	*
Zimbabwe		.0	3.9	*		.0	4.4	*
Other	13.6	8.8	38.9	442	13.0	11.1	45.1	406
Total	28.4	18.1	90.9	502	26.1	21.9	120.7	551
GRAND TOTAL	394.0	335.3	390.5	116	430.9	394.1	450.3	114

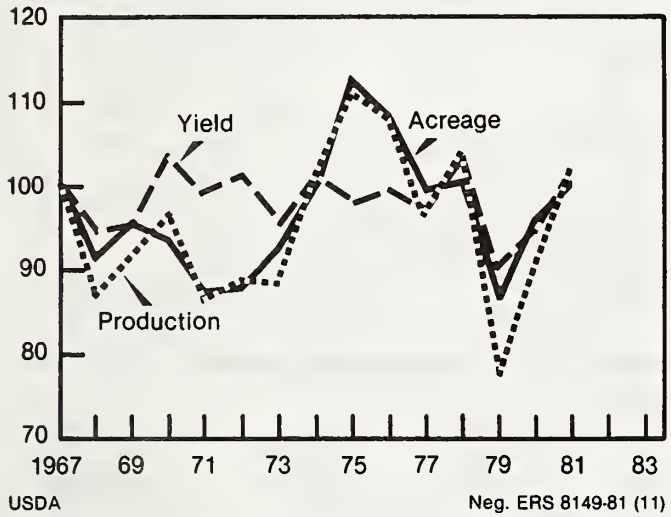
1/ Preliminary. 2/ Includes minor quantities for smoking tobacco, chewing tobacco and snuff. Detail may not add to total due to rounding. ** Greater than 1000 percent.
Compiled from publications and records of the Bureau of the Census.

Table 9—U.S. tobacco: Acreage and yield, 1979-81

Type	Acreage harvested			Change from	Yield per acre			Change from
	1979	1980	1981[1]	1980	1979	1980	1981[1]	1980
	1,000 acres			*Percent*	*Pounds*			*Percent*
Flue-cured								
11-Old and Middle Belt, VA.-N.C.	181.0	190.0	199.0	+4.7	1,756	1,734	2,004	+15.6
12-Eastern N.C.	162.0	185.0	162.0	−12.0	1,865	2,170	2,200	+1.4
13-S.C.-Border N.C.	96.0	111.0	111.0	100.0	2,091	2,013	2,210	+9.8
14-Georgia-Florida	63.3	63.5	63.8	+4.7	1,959	2,002	2,250	+12.4
Total	502.8	551.8	535.8	−3.0	1,881	1,968	2,135	+8.5
Burley, type 31	238.1	276.9	325.5	+17.6	1,873	2,013	2,201	+9.3
Total, all types 11-72	827.2	917.6	963.4	+5.0	1,845	1,943	2,102	+8.2

[1]November 1 indications, burley is December 1.

Tobacco Acreage, Yield and Production



1982 Marketing Quotas and Allotments

The 1982 national quota, i.e., basic quota, for flue-cured tobacco is the same as for 1981. Subtracting the over-quota marketings from the 1981 crop, the effective quota (sum of individual farm quotas) is down 12 percent.

By February 1, USDA will announce the 1982 marketing quotas and acreage allotments for burley and several other kinds of tobacco. Shortly after that announcement, growers of fire-cured and dark air-cured types will vote for or against quotas on their next three crops. If at least two-thirds of those voting approve, marketing quotas will be in effect. Growers approved 1982 quotas in previous referendums for burley, flue-cured, sun-cured, Ohio filler, and Wisconsin and Connecticut binder tobacco.

Price Support To Rise

For 1982, an 11-percent increase from the 1981 price support is indicated. The law requires that the 1982 adjustment be based on the average of the parity index for 1979, 1980, and 1981, relative to the 1959 base. USDA usually announces average supports by tobacco types in the spring and reports individual grade loan rates just before the opening of the various marketing seasons.

Table 10—Tobacco: U.S. Department of Agriculture price support loan and program operations, and other expenditures, 1979-81

Item	Year ending September 30-		
	1979	1980	1981[1]
	Million dollars		
	Price support loan operations		
New loans made	228.7	172.0	215.2
Repayments	71.4	260.1	266.3
Charged off	5.4	.1	0
Net additions	152.0	−88.0	−51.1
Loans outstanding:			
Value	903.2	814.9	763.8
Quantity (mil. lbs.)	691	647	565
	CCC program operations		
Public Law 480 sales:			
Dollar credit	7.3	2.7	0
Short term credit sales	(69.2)	(31.4)	0
Net realized loss[2]	5.4	.4	0
Subtotal, net CCC costs	12.7	3.1	0
	Other expenditures		
Crop insurance, net	−7.3	1.3	29.2
Administration of quota program	12.8	13.9	15.1
Inspection, grading	6.1	6.2	7.4
Market news	.5	.5	.6
Research and extension:			
Production & marketing	3.7	4.7	4.7
Health related	4.0	3.7	3.9
Miscellaneous	.3	.2	.3
Subtotal, other	20.1	30.5	61.2
Net USDA costs	38.2	33.7	61.2

[1]Subject to revision. [2]From price support and related programs.

Compiled from Commodity Credit Corporation, Report of Financial Conditions and Operations, annual issues, 1979-81, CCC Estimates", ASCS Financial Management Division, and records of Office of Budget, Planning and Evaluation.

Foreign Leaf Production Increases

Global leaf production rose about 4 percent above last year's 13 billion pounds (5.8 million metric tons). Increases by major producers such as Cuba, China, United States, and the Soviet Union more than offset substantial decreases in Brazil, Zimbabwe, and Turkey. The major increases were in burley and flue-cured production. Oriential output declined.

Flue-Cured

1981 Auction Prices Gain Briskly

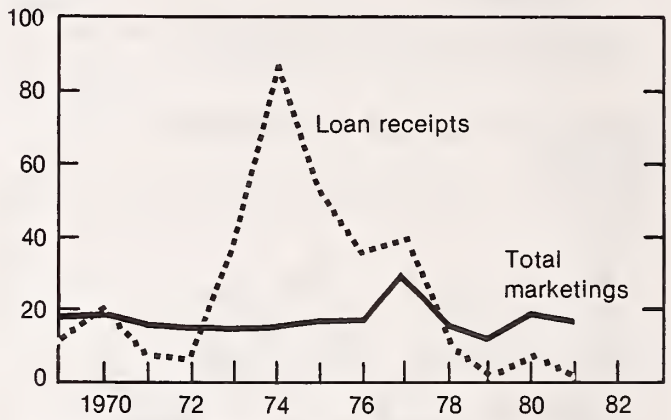
Prices for the 1981 flue-cured crop gained 15 percent from 1980, hitting a record. With a larger volume, the crop value rose one-fifth above a year earlier. Loan placements were down. Considering purchases from both the crop and Stabilization stocks, industry takings were up sharply from the lows of the past two seasons.

With brisk demand and limited amounts of the usual grades, early season prices averaged one-fifth above the previous year. The avereage price for all tobacco belts moved up sharply to a September peak but fell back in October, when export orders were satisfied and loan receipts increased.

Compared with the 1980 season, grade prices averaged substantially higher. The largest increases were for primings and nondescript. Gains were 10 to 40 cents a pound for about 80 to 85 percent of the grades. Over the belt, the season-average price for gross sales (including resales) was $1.66 a pound—up 22 cents from last year's average. Price averages were up in all belts (table 12). Among the 86 markets, season averages ranged from $1.45 to $1.75 a pound.

Despite the reduced effective quota, producers' marketing were above the last season. Auction sales totaled 1.144 billion pounds, 62 million more than in 1980.

P&N Grades* as a Share of U.S. Flue-Cured Tobacco



*Primings, and nondescript. Last year preliminary.

USDA Neg. ERS 2598-81 (11)

Table 11—Flue-cured and burley tobacco: Marketing quota and marketings, 1972-82

Year	Quota		Marketings				
	Basic	Effective	Actual	Over-quota	Under-quota	Effective underquota[1]	Net carryover[2]
			Million pounds				
			Flue-cured, types 11-14				
1972	1,071.2	1,056.7	1,022.1	41.2	72.9	68.1	26.8
1973	1,178.7	1,205.6	1,159.0	54.8	100.5	95.3	40.5
1974	1,296.6	1,337.1	1,245.3	50.0	138.9	132.4	82.5
1975	1,491.4	1,572.3	1,414.6	50.9	203.2	192.3	141.0
1976	1,268.1	1,409.1	1,316.0	49.4	139.9	130.2	80.8
1977	1,116.5	1,197.3	1,124.2	42.6	115.2	106.9	64.3
1978	1,117.2	1,181.5	1,205.9	65.6	43.9	41.8	−26.4
1979	1,094.9	1,068.5	973.8	24.8	118.8	117.0	92.2
1980	1,095.0	1,187.3	1,084.6	36.0	137.9	135.1	99.1
1981[3]	1,012.6	1,111.7	1,144.0	32.0		−2.0	−34.0
1981[4]	1,013.0	979.0					
			Burley, type 31				
1972	531.5	611.5	588.6	30.7	45.7	44.6	13.9
1973	559.7	573.6	460.7	11.3	113.1	111.7	100.3
1974	606.5	706.8	610.4	23.0	118.9	104.0	81.0
1975	669.5	750.4	639.9	21.8	127.5	113.4	91.6
1976	634.8	726.4	663.6	33.1	96.2	82.3	49.2
1977	636.2	683.4	612.6	27.2	99.0	80.8	53.6
1978	614.2	667.8	614.2	31.5	88.2	67.6	36.1
1979	613.6	649.7	472.2	12.2	188.6	168.8	155.2
1980[5]	615.0	769.2	557.5	11.6	224.3	200.1	188.5
1981[5]	659.6	841.9					

[1]Underquota marketings less ineligible carryover. [2]Effective underquota marketings less overquota marketings. [3]Estimated marketings and carryover. [4]Preliminary. [5]Subject to revision.

Compiled from records and reports of Price Support and Loan Division, ASCS.

Quality Improves

Crop quality was better than last year. There was a larger proportion of fair and good grades in 1981 and less low, poor, and nondescript quality tobacco. With better growing conditions in all areas, the share for leaf increased, and there was a larger amount of ripe or mature kinds and less variegated and green tobacco (table 13).

Loan volume reached 9 percent of sales, down from 13 percent in 1980. Most of the 1981 loan receipts consisted of variegated leaf and lug grades.

Auction Sales Ended November 16

Sales began in the Georgia-Florida area in mid-July, a little ahead of crop maturity. However, a sales holiday was declared for October 5-8 to allow redrying plants to process the backlog. By then, eight-tenths of the crop had been sold.

Allowable sales under USDA's marketing regulations averaged about 85 million pounds weekly, the same as last year; the resale allowance for warehouses remained at 10 percent. As in past seasons, growers designated a warehouse for the sale of their crop, and the Flue-cured Tobacco Advisory Committee recommended opening dates and selling schedules to USDA. A buyer rotation plan was used, and selling times were allocated according to grower designations. Growers could change their warehouse designation at the beginning of each month.

Resales averaged 7 percent of gross sales, the same as in 1980. About 6 percent of the crop was sold outside the belt where it was produced (table 14). As was the case last season, there was no provision for the Stabilization Cooperative or warehouses to handle carryover tobacco. So, the volume held by individuals for sale next season has probably increased because of the bumper crop.

Export Volume May Expand

The improved quality of the 1981 U.S. crop, as well as larger supplies, boosted purchases this season. Short supplies in Zimbabwe and Brazil also strengthened U.S. auction purchases. Japan's 1981 purchases have gained a little from last season, but their shipments are usually bunched around the end of the calendar year. In general, larger supplies of U.S. export grades and smaller stocks abroad are pushing up 1981/82 exports to most destina-

Table 12—Flue-cured tobacco: Gross sales (including resales), average price, and loan receipts by Belt, 1977-81

Marketing season	Old and Middle Belt, type 11	Eastern N.C. Belt, type 12	N.C. Border and S.C. belt, type 13	Ga.-Fla. Belt, type 14	All Belts
			Million pounds		
1977	385	389	243	169	1,186
1978	391	466	272	160	1,289
1979	319	343	219	138	1,019
1980	321	456	245	144	1,166
1981[1]	412	397	266	158	1,233
			Average price per pound		
			Cents		
1977	114.0	118.5	124.1	115.9	117.8
1978	131.9	134.2	137.1	142.4	135.2
1979	140.0	139.2	141.6	139.8	140.1
1980	143.2	147.5	143.3	140.5	144.6
1981[1]	163.8	167.0	166.9	163.5	166.4
			Receipts under loan		
			Million pounds		
1977	107.6	54.6	20.4	10.5	193.1
1978	25.9	25.0	9.2	4.0	64.1
1979	25.1	25.7	12.3	6.6	69.8
1980	45.2	45.9	30.0	16.1	137.2
1981[1]	48.4	34.1	12.3	11.6	106.4
			Percentage of producer sales under loan		
			Percent		
1977	29.3	14.7	8.9	6.7	17.2
1978	7.0	5.7	3.7	2.8	5.3
1979	8.5	8.1	6.2	5.4	7.5
1980	15.0	10.8	13.4	12.2	13.1
1981[1]	12.5	9.3	5.1	8.1	9.3

[1]Preliminary.

Compiled from records and reports of Tobacco Division, Agricultural Marketing Service.

tions. By June 1982, flue-cured exports could total a tenth or so above last year's total of 490 million pounds (table 15).

Supplies Increase in 1981/82

Although carryover was about the same, the larger crop has brought the season's flue-cured supply to 3.16 billion pounds—3 percent above last year (table 16). The 1981 outturn was the largest since 1978. Harvested acreage was down 3 percent from 1980, but the yield per acre was the highest since 1964, the last year of acreage allotments. A pickup in U.S. exports may offset lower domestic use for this marketing year, and total disappearance could gain from last year. Carryover next July could rise about 1 percent, with trade holdings accounting for most of the buildup.

The Flue-cured Stabilization Cooperative, the association handling tobacco under loan, sold 211 million pounds during January-November, while loan receipts reached 106 million pounds. So, by January 1, 1982, the unsold loan stocks will fall considerably below the 597 million pounds held a year earlier.

The 1982 Quota

On December 1, USDA announced the national flue-cured marketing quota of 1,013 million pounds for 1982 (table 17).

Acreage allotments and poundage quotas for individual farms will reflect 1981 under and overmarketings. The base quota minus estimated net overmarketings means that the 1982 effective quota is about 979 million pounds, or 12 percent, below 1981. A crop close to the quota, when added to prospective carryover, would provide a 1982/83 supply that is 5 percent below this year.

Table 13—Flue-cured tobacco: Farm marketings by belt and across-belt marketings, 1981

States and belt	Total farm marketings	Sold in—				Total sold out of belt	
		Ga.-Fla. 14	S.C.-N.C. 13	N.C. 12	N.C.-Va. 11	Amount	Percent of sales
	Million pounds					*Percent*	
Ga.-Fla., 14	142.6	142.5	0.1	0	0	0.1	0.0
S.C.-N.C., 13	244.0	.8	232.6	5.5	4.8	11.1	4.5
N.C., 12	343.8	(1)	6.5	330.9	6.4	12.9	3.8
N.C.-Va., 11	411.1	0	4.1	31.1	375.7	35.2	8.8
Sales from out of belt	—	.8	10.7	36.6	11.2	—	—
Total[2]	1,141.0	143.3	243.3	367.5	387.0	59.3	5.2
	Sales from out of belt as percentage of belt sales						
	Percent						
	5.2	.6	4.4	10.0	2.9	—	—

[1]Less than 50,000 pounds. [2]Details may not add to total due to rounding. Distribution of 3 million pounds not available.

Compiled from records and reports of Analysis Division, ASCS.

Table 14—Flue-cured tobacco: Percentage distribution of marketings, by group and qualities, 1977-81 crops

Crop year	B-Leaf	H-S. leaf	C-Cutters	X-Lugs	P-Primings	N-Nondescript	Misc.
				Percent			
				GROUP			
1977	50.4	1.2	4.1	13.0	6.3	22.8	2.2
1978	58.2	1.6	10.1	14.4	8.5	6.0	1.2
1979	58.5	1.4	9.7	16.6	8.5	4.3	1.0
1980	53.1	.7	7.9	17.8	8.2	11.3	1.0
1981[1]	58.1	.9	8.2	16.5	9.7	5.8	.8
				QUALITY			
	1-Choice	2-Fine	3-Good	4-Fair	5-Low	6-Poor	Nondescript	Misc.
1977	.1	.2	4.9	31.5	28.1	10.3	22.7	2.2
1978	—	.5	13.1	50.7	25.1	3.4	6.0	1.2
1979	—	.5	14.0	55.6	22.1	2.5	4.3	1.0
1980	—	.2	5.8	42.2	30.3	9.3	11.3	.9
1981[1]	—	.3	9.1	50.9	28.6	4.5	5.8	.8

[1]Preliminary.

Compiled from records and reports of Tobacco Division, AMS.

Table 15—U.S. flue-cured exports to principal countries 1979-81 (export weight)

Country	1979	July-October 1980	1981
		Million pounds	
United Kingdom	18	12	13
West Germany	14	21	18
Japan	7	11	25
Netherlands	5	6	5
Ireland	2	1	2
Italy	0	2	2
Australia	3	3	2
Belgium	1	1	1
Denmark	1	2	3
Spain	0	9	9
Switzerland	1	1	2
Sweden	8	6	4
Egypt	0	0	1
Phillippines	2	2	2
Taiwan	5	0	0
Others	17	25	29
Total	84	101	119

Compiled from records and reports of the Bureau of the Census.

The Foreign Flue-Cured Situation

In Ontario, Canada, this year's flue-cured production remained near the target level of 226 million pounds. Auctions opened in late September, and by late November, sales averaged $C 1.51 or substantially above the guaranteed minimum of $C 1.42 a pound ($C=$.84 U.S.). Based on a graduated scale of 5 to 14 cents a pound, the Canadian Manufacturers Council gives rebates for exports projected at 90 to 95 million pounds.

Brazil's production of flue-cured tobacco decreased 10 percent in 1980/81. For 1981/82, output is not expected to rise much from a year earlier because of cost increases that have more than offset gains in selling prices. India expects a little larger crop in 1981/82 because of favorable demand; growers received higher prices for last year's larger crop.

The 1981 flue-cured crop in Zimbabwe declined 59 percent because of a quota cutback and low prices in 1980. But, prices were favorable for the 1981 crop, so the 1982 marketing quota has been raised to 96,000 metric tons (212 million pounds), more than 35 percent above 1981 (tables 18 and 19).

Burley

Record Price Averages

During the first 3 weeks of auctions, burley sales totaled 463 million pounds (gross) and averaged $1.80 a pound. Even, with the large crop, growers may sell over three-fourths of it before Christmas. Sales resume January 4 (table 20).

Burley auctions through December 10 averaged 14 cents above last year, because quality improved. Sales contained larger percentages of both good grades and the leaf category. All grades are selling well above support levels.

Loan rates by grades range from $1.08 to $1.81 a pound, with an average support level of $1.636. Through December 10, loan receipts were 0.1 percent. Last season's receipts were practically nil.

For 1981/82, USDA is providing official grading and price support for untied burley packed straight in bales and offered for sale at auctions. This season, a sizable quantity is being sold in burlap sheets without support.

1980/81 Disappearance Reduced

During the year ending September 30, 1981, burley disappearance totaled 583 million pounds—8 percent below the previous year's record. Both domestic use and exports dropped because of the short supply of aged tobacco. With uncertainty as to the size of this year's crop, foreign and domestic buyers had to reduce their use to a sustainable level.

Domestic burley use fell 4 percent, despite an increase in U.S. cigarette manufacture in the same period. Although most burley goes into cigarettes, some is used in other products. A recovery in domestic use is in prospect for 1981/82.

Burley exports last crop year were 105 million pounds, 28 million below last year's record high. West Germany, Italy, and Japan remained the leading markets.

Supplies Increase

This season's burley supply, 1.72 billion pounds, is 8 percent above last season's 31-year low (table 8). The 1981 crop, estimated at 720 million pounds as of December 1, is 29 percent above last year. This season's effective farm poundage quota is 10 percent above last year, and growers increased acreage 18 percent. Yields are above the last two seasons, but are still below the average of recent years.

Because of short supplies, the carryover on October 1, 1981, fell 2 percent below a year earlier to the lowest since 1951. All of the carryover was owned by manufacturers and dealers, because there were no loan stocks. With the large crop, an increase in carryover to a more normal size is indicated. The 1981/82 supply is 2.75 times probable disappearance, or about the same as the desirable ratio. In addition, manufacturers and dealers held 265 million pounds of foreign-grown burley on October 1—49 million higher than a year earlier.

The 1982 Quota Decision

The 1982 outlook for burley hinges partially on the quota decision USDA will make by February 1. Burley poundage legislation requires that the national quota for any year can be neither less than 95 percent of estimated disappearance for that marketing year nor less than 95 percent of the previous year's quota. For 1981/82, the basic allotment was set at 660 million pounds. In contrast to the past season's low disappearance, the 625-million-pound average for 1977-79 (when supplies were more adequate) appears a reasonable base for a disappearance projection. Some increase in use is indicated for

Table 16 -- Flue-cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1971-81

(Farm-sales weight)

Marketing Year	Acreage Harvested	Yield per acre	Marketings	Beginning stocks 1/			Total supply
				Manufacturers and others	Under loan	Total	
	Thousand acres	Pounds	--- Million pounds ---				
Flue-cured, types 11-14							
1971	525.8	2,050	1,076.3	1,214.5	761.9	1,976.4	3,052.7
1972	513.6	1,971	1,022.1	1,292.4	617.8	1,910.2	2,932.3
1973	575.1	2,011	1,159.0	1,347.0	402.3	1,749.3	2,908.3
1974	616.3	2,014	1,245.1	1,330.6	276.7	1,607.3	2,852.4
1975	717.2	1,973	1,414.7	1,471.9	179.9	1,651.8	3,066.5
1976	666.6	1,974	1,316.0	3/ 1,539.1	359.2	3/ 1,898.3	3,214.3
1977	589.3	1,917	1,124.2	1,517.6	556.9	4/ 2,075.0	3,199.2
1978	602.1	2,046	1,205.9	1,517.9	534.0	4/ 2,051.9	3,257.8
1979	502.8	1,881	945.8	1,510.8	564.0	2,074.8	3,020.6
1980	551.8	1,969	1,086.1	1,411.0	554.4	1,965.4	3,051.5
1981 5/	535.8	2,135	2/ 1,144.1	1,416.8	595.8	2,012.6	3,156.7
1982 6/						2,056.7	
Burley, type 31							
1971	213.5	2,213	2/ 472.6	882.4	468.4	1,345.8	1,818.4
1972	235.6	2,552	590.3	920.9	327.6	1,248.5	1,838.8
1973	221.1	2,028	461.4	952.5	276.7	1,229.2	1,690.6
1974	260.7	2,350	610.4	931.5	139.2	1,070.7	1,681.1
1975	282.2	2,265	638.3	1,082.4	12.0	1,094.4	1,732.7
1976	285.8	2,376	663.8	3/ 1,115.3	44.8	3/1,160.1	1,823.7
1977	268.6	2,298	612.5	1,162.3	54.9	4/1,217.2	1,829.7
1978	261.4	2,396	617.6	1,087.0	113.5	4/1,218.4	1,836.0
1979	238.1	1,873	445.8	1,056.3	155.4	1,211.7	1,657.5
1980	276.9	2,015	557.5	959.5	66.3	1,025.8	1,583.3
1981 5/	325.5	2,211	719.8	1,000.2	0	1,000.2	1,720.0
1982 6/						1,090.0	

Marketing Year	Disappearance			Average price per pound	Price support level	Placed under loan	
	Total	Domestic	Exports			Quantity	Percentage of crop
	---Million pounds---			---Cents---		---Million pounds---	Percent
Flue-cured, types 11-14							
1971	1,142.5	662.5	480.0	77.2	69.4	55.7	5.2
1972	1,183.0	664.2	518.8	85.3	72.7	24.3	2.4
1973	1,301.0	703.0	598.0	88.1	76.6	30.7	2.7
1974	1,200.6	652.3	548.3	105.0	83.3	23.0	1.9
1975	1,193.1	670.6	522.5	99.8	93.2	259.0	18.4
1976	1,148.2	634.0	514.2	110.4	106.0	277.3	21.0
1977	1,147.3	608.2	539.1	117.6	113.8	195.6	17.3
1978	1,182.8	584.1	598.7	135.0	121.0	64.1	5.3
1979	1,083.2	563.2	520.0	140.0	129.3	72.0	7.4
1980	1,038.5	548.5	490.0	144.5	141.5	138.3	12.7
1981 6/	1,100.0	6/ 550.0	6/ 550.0	166.4	158.7	106.4	9.3
Burley, type 31							
1971	569.9	515.2	54.7	80.9	71.5	.2	---
1972	609.6	534.5	75.1	79.2	74.9	22.9	3.9
1973	619.0	533.1	86.8	92.9	78.9	.7	.1
1974	586.7	518.8	67.9	113.7	85.8	2.8	.4
1975	602.5	510.1	92.4	105.5	96.1	50.7	7.9
1976	606.3	489.6	116.8	114.2	109.3	46.6	7.0
1977	611.3	494.8	116.5	120.0	117.3	57.0	9.2
1978	624.3	502.8	121.4	131.2	124.7	67.7	10.8
1979	631.8	498.5	133.3	145.2	133.3	7.3	1.5
1980	583.1	477.6	105.5	165.9	145.9	.0	.0
1981 6/	630.0	6/ 490.0	6/ 140.0	7/ 180.0	163.6	7/ .6	7/ .1

1/ July 1 for flue-cured; October 1 for burley.

2/ Production.

3/ Adjusted for change in conversion factor January 1, 1977.

4/ Stocks revision January 1, 1979 report.

5/ December crop forecast.

6/ Estimated.

7/ Through December 10, 1981.

Table 17—Flue-cured tobacco: Basic and effective quotas and marketings, 1981-82

Type and State	Basic quota		Effective quota			Marketings	
	1981	1982[1]	1981	1982[1]	Change from 1981	1980	1981[2]
	Million pounds				*Percent*	*Million pounds*	
14-Alabama	1	1	1	1	0	1	1
14-Florida	21	21	23	22	−4	20	22
14-Georgia	106	106	118	105	−11	110	119
13-N. Carolina	88	88	95	87	−8	98	96
13-S. Carolina	126	126	146	124	−15	125	148
12-N. Carolina	338	338	331	323	−2	401	345
11-N. Carolina	243	243	290	232	−20	246	300
11-Virginia	90	90	108	85	−21	84	113
Total 11-14	1,013	1,013	1,112	979	−12	1,085	1,144

[1]100 percent of 1981. [2]Estimated. Detail may not add due to rounding.

Compiled from records of Analysis Division, ASCS.

Table 18—Flue-cured tobacco: PRoduction in specified countries, 1979-81

Country	1979	1980	1981
		Thousand Metric tons	
Canada	77	106	108
India	143	103	125
Zimbabwe	112	107	67
Brazil	237	228	205
Total	569	544	505

Compiled from records and reports of Foreign Agricultural Service.

Table 19—Tobacco loan stocks, 1979-81 (Farm-sales weight)

Type	End of November		
	1979	1980	1981[1]
	Million pounds		
Flue-cured, 11-14[3]	654.3	695.5	629.3
Burley, 31	157.1	69.0	0
Virginia, 21	2.6	2.5	2.6
Kentucky-Tennessee, 22-23	12.2	20.1	16.1
Kentucky-Tennessee, 35-36	4.3	5.9	7.1
Ohio, 42-44	1.0	.4	.4
Puerto Rican, 46	5.9	7.7	9.8
Connecticut Valley, 51-52	.9	1.4	1.3
Wisconsin, 54	(2)	(2)	(2)
Wisconsin, 55	0	0	.3
Total	838.3	802.5	666.9
Uncommitted			
Flue-cured, 11-14	[3] 595.7	[3] 595.6	[3]492.2
Burley, 31	68.4	0	0

[1]October 31. [2]Negligible. [3]Includes new crop receipts.

Compiled from records of Producer Association Division, ASCS.

Table 20—Burley tobacco: Gross sales, average price, and percentage sold before and after the Christmas holidays, crops, 1971-81

Crop	Before holidays			After holidays		
	Gross sales	Average price per lb.	Percentage of crop sold	Gross sales	Average price per lb.	Percentage of crop sold
	Mil. lb.	*Cents*	*Percent*	*Mil. lb.*	*Cents*	*Percent*
1971	404.5	80.4	81.3	92.9	83.0	18.7
1972	490.4	79.2	78.6	133.6	70.2	21.4
1973	379.5	93.2	76.4	117.3	91.5	23.6
1974	505.5	116.0	75.8	161.4	107.2	24.2
1975	457.7	104.4	66.8	238.0	107.5	32.2
1976	467.4	115.0	65.0	252.2	113.0	35.0
1977	492.4	119.6	75.2	162.0	121.7	24.8
1978	474.6	131.9	71.7	186.9	129.3	28.3
1979	350.0	145.6	70.9	143.7	144.3	29.1
1980	486.1	165.9	80.1	120.7	165.9	19.9
1981[1]	463.4	180.0	62.0			

[1]Through December 10. [2]Estimated, based on December crop estimate with allowance for resales.

Compiled from *Tobacco Market Review* Burley, issued annually, Agricultural Marketing Service.

Table 21— Southern Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, 1972-81 (Farm sales weight)

Marketing Year[1]	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Stocks following Jan. 1	Total	Total	Domestic	Exports	
	Thousand acres	*Pounds*	*Million pounds*						*Cents*
1972	24.0	990	23.8	46.6	70.4	25.5	13.4	12.1	84.5
1973[2]	27.8	1,260	35.0	43.8	78.8	26.1	13.8	12.3	87.8
1974[2]	26.0	1,260	32.8	51.7	84.5	33.5	25.0	8.5	92.2
1975[2]	23.0	955	22.0	53.6	75.6	35.7	26.0	9.7	107.5
1976[2]	25.0	1,205	30.1	41.9	72.0	29.9	17.4	12.5	110.0
1977[2]	25.0	1,230	30.8	45.3	76.1	29.0	19.6	9.4	115.1
1978[2]	24.0	1,275	30.6	41.9	72.5	31.1	21.1	10.1	123.1
1979[2]	19.5	1,130	22.0	41.3	63.4	33.6	23.6	10.0	139.7
1980[2]	24.0	1,092	26.2	32.6	57.8	27.3	18.6	8.7	[3]170.0
1981[4]	34.2	1,303	44.6	[5]30.0	74.6				[3]110.9

[1]Year beginning October 1. [2]Includes sales and certification. [3]Auction sales. [4]November crop estimate. [5]Estimated; excludes 11.6 mil. lb. of 1981 crop sold in October-November 1981.

1982/83. USDA has proposed three quota options for 1982, ranging from a 5-percent decrease to a 6-percent increase. The deadline for receiving written comments is January 13.

A carryover of undermarketings will be added to the 1982 quota, but the shortfall is expected to be considerably less than the past two seasons. So, the 1982 effective quota may decline sharply. The response to the quota averaged 88 percent for 1971-78, and the December production forecast is 85 percent.

Southern Maryland

1980/81 Disappearance Drops

During the year ending September 30, 1981, disappearance of Southern Maryland tobacco was 27 million pounds, 6 million below the previous year and the lowest since 1972 (table 21).

Last year's crop sold for the highest of any auction sales in 1980/81. Domestic use of Maryland tobacco dropped 5 million pounds from the previous year. Exports totaled 9 million pounds—1 million below the previous year. Switzerland's takings were down to about six-tenths of U.S. exports. Because of limited supplies of aged tobacco, total use in the current marketing year may change little from last season.

Supplies Gaining

The carryover of the old crop on January 1, 1982, is forecast about 3 million below a year earlier. The 1981 crop is estimated at 45 million pounds, 14 million above the previous season and the largest since 1964. About a third of the crop comes from the flue-cured area. Acreage

allotments were not in effect, and the 1981 Maryland tobacco crop does not count against a flue-cured quota if it can be certified as Maryland type by USDA graders. The supply for 1981/82 (current crop plus estimated carryover) is 75 million pounds, 10 million more than a year earlier. Auctions for 1981 Maryland tobacco were held at several flue-cured markets after the flue-cured season ended. Growers sold 12 million pounds, averaging $1.11 a pound. Sales will resume in February in the flue-cured area and will begin in Maryland in April.

As it now stands, the 1981 farm bill would require that USDA apply penalties to those who grow Maryland tobacco outside of the State.

Fire-Cured

Auction Prices Drop

Auctions for Virginia fire-cured tobacco (type 21) opened November 23, with markets for the first six sales averaging 2 cents a pound below last season. The quality was better, but grade prices were down, mainly 5 to 9 cents a pound. Last year's reduced output caused prices to rise sharply, with the season-average climbing 19 cents above 1979. This year's Virginia crop is 1 million pounds more than last year's. Auctions for Kentucky-Tennessee fire-cured (types 22 and 23) are expected to open around the middle of January.

Larger Crop Stabilizes Supplies

At an estimated 42 million pounds, the 1981 fire-cured crop is 5 million pounds, or 10 percent, more than a year ago. The larger crop about offsets reduced carryover, bringing the 1981/82 supply to 113 million pounds. Based on last season's use, this would last 2-1/2 years. On October 1, the beginning of the marketing year, loan stocks had reached 17 million pounds. Annual disappearance varies widely from year to year, but the total carryover will probably decline next October (table 22).

Disappearance Lower

The disappearance of fire-cured types in 1980/81 was about 42 million pounds—1 million below the previous season. Domestic use decreased, while exports of Kentucky-Tennessee fire-cured increased and Virginia types dropped. Output of snuff and fine-cut chewing tobacco showed little change.

In Malawi, the largest exporter outside the United States, 1980 production was 22 million pounds, and at midyear, the 1981 crop was estimated at 26 million. Large surplus stocks from earlier crops have been reduced.

Dark Air-Cured

Auction Prices Mixed

Auction markets for One Sucker and Green River tobaccos (Kentucky-Tennessee dark air-cured, types 35-36) opened December 7 and December 2, respectively. Auctions for Virginia sun-cured (type 37) started December 8. Growers received less for each type than they did for last season. For type 36, quality was about the same as in 1980, and loan receipts were up.

Supplies Increase

At an estimated 18 million pounds, the dark air-cured crop is up 1 million from 1980. The supply of dark air-cured and sun-cured tobacco for 1981/82, at 56 million pounds, is 3.3 million above 1980/81. Total supplies of dark air-cured tobacco represent over 3 year's use, based on last year's disappearance. Carryover may stay about the same, because disappearance may equal current production (table 23).

Disappearance Off

Disappearance of dark air-cured tobacco during 1980/81 was 15 million pounds, about 2 million below the previous marketing year, as domestic use declined. While the output of chewing tobacco gained, other uses declined. Higher prices for the 1980 crop may have hastened the drop.

Cigar Tobacco

U.S. and Puerto Rican Supplies Stabilize

Supplies of U.S. and Puerto Rican cigar tobacco are up a little in 1981, because carryover has risen. For 1981/82, production is about the same as a earlier (table 25). However, the supplies of cigar filler and binder types have increased; wrapper supply has declined. On October 31, Government loan stocks stood at 11 million pounds of cigar tobacco, 2 million above a year earlier.

Production of U.S. cigar types is forecast virtually the same as 1980's outturn: the filler crop is up slightly, while binder and wrapper production is down. U.S. cigar leaf tobacco is sold either directly on farms or through cooperatives. As of early December, no sales had been reported. Season-average prices will be published in the May 1982 issue of USDA's Crop Report.

Filler and Binder Supplies Increase

Supplies of continental cigar filler (U.S. and Puerto Rican types 41-46) rose slightly this season to 92 million pounds because of increased carryover and a larger crop. Filler production was 1 million pounds more in 1981, and carryover rose. Based on recent disappearance, ending stocks are likely to decline by the close of the marketing year.

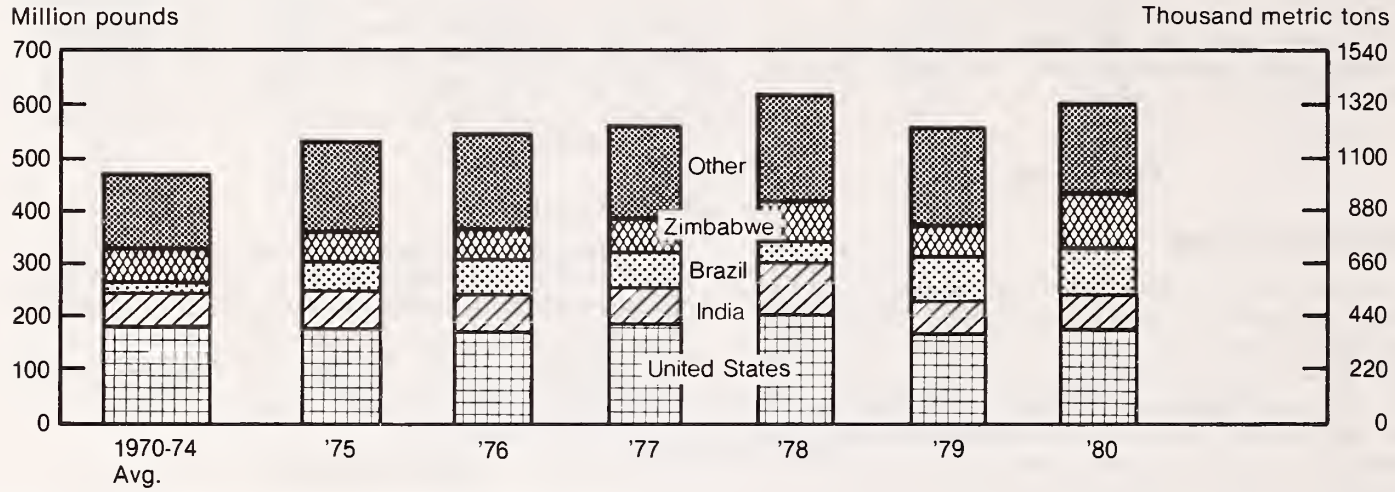
Supplies of cigar wrapper tobacco for 1981/82 are about 2 million pounds below last year, with both Connecticut Valley and Georgia-Florida wrapper supplies down. Type 62 tobacco has not been grown since 1977. The carryover next July 1 is likely to continue the long downtrend.

During October 1980-September 1981, manufacturers used about the same amount of imports as they did a year earlier-a response to almost steady cigar production and increased chewing tobacco output. Last season, 69

million pounds (farm sales weight) of cigar tobacco was imported for consumption. Stocks of foreign-grown cigar leaf in the United States on October 1 were 93 million pounds—about 2 million below a year earlier.

For 1981/82, binder tobacco supplies will rise with a larger carryover. Cigar binder disappearance last season was 21 million pounds, down from a year earlier. The principal outlet for this type is looseleaf chewing tobacco. Binder disappearance has followed a cyclical pattern. So it may gain this year, but a stock increase is still likely.

World Exports of Flue-Cured Tobacco

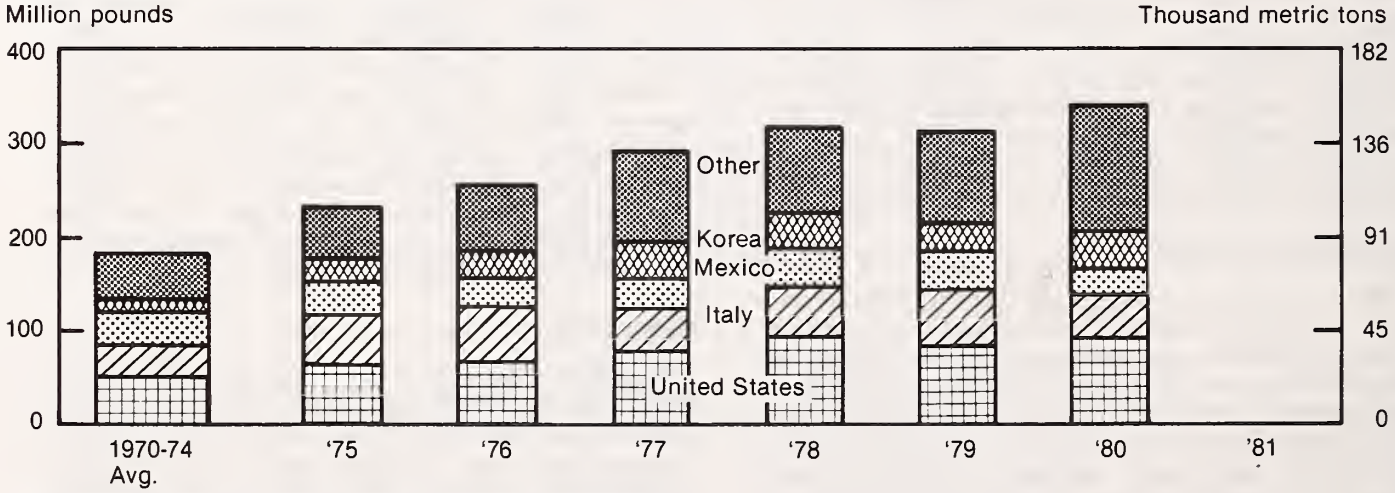


Export weight. Excludes communist countries. Latest year preliminary.

USDA

Neg. ERS 2400-81 (11)

World Exports of Burley Tobacco



Export weight. Excludes communist countries. Latest year preliminary.

USDA

Neg. ERS 2960-81 (11)

Table 22--Fire cured tobacco, Kentucky-Tennessee types 22-23, and Virginia fire-cured type 21: Acreage yield production, carryover, supply, disappearance, season average price, and price support operations 1972-81

(Farm-sales weight)

Marketing year beginning October	Acreage harvested	Yield per acre	Production	Beginning stocks: Manufacturers and other	Beginning stocks: Under loan	Beginning stocks: Total	Total supply
	Thousand acres	Pounds	Million pounds				
Kentucky-Tennessee fire-cured, types 22-23							
1972	20.4	1,844	37.6	55.0	1.2	56.2	93.8
1973	16.6	1,668	27.7	54.2	3.1	57.3	85.0
1974	16.2	1,602	26.0	44.0	1.1	45.1	71.1
1975	18.4	1,772	32.6	40.5	.1	40.7	73.3
1976	21.2	1,567	33.2	42.6	(1)	42.6	75.8
1977	25.6	1,767	45.2	41.2	(1)	41.2	86.4
1978	27.1	1,898	51.4	50.0	1.0	51.0	102.4
1979	22.1	1,791	39.6	54.0	11.1	65.1	104.7
1980	19.4	1,685	32.6	48.9	19.1	68.0	100.6
1981 2/	20.5	1,785	36.6	48.4	14.7	63.1	99.7
Virginia fire-cured, type 21							
1972	4.8	970	4.7	7.9	.4	8.3	13.0
1973	4.7	1,205	5.7	7.6	(1)	7.6	13.3
1974	5.0	1,185	5.9	7.1	--	7.1	13.0
1975	5.0	975	4.9	7.1	.3	7.3	12.2
1976	5.3	1,000	5.3	7.4	(1)	7.4	12.7
1977	7.2	1,000	7.2	7.0	(1)	6.7	13.9
1978	6.1	1,120	6.8	7.9	.8	8.7	15.5
1979	4.8	1,135	5.4	8.2	2.7	10.9	16.3
1980	3.9	935	3.6	6.0	3.3	9.3	12.9
1981 2/	4.1	1,200	4.9	5.7	2.6	8.3	13.2

	Disappearance: Total	Disappearance: Domestic	Disappearance: Exports	Average price per pound	Price support level	Placed under loan: Quantity	Placed under loan: Percentage of crop
	Million pounds			cents		Million pounds	Percent
Kentucky-Tennessee fire-cured, types 22-23							
1972	36.5	14.2	22.3	57.3	50.8	2.8	7.4
1973	39.9	15.7	24.2	71.7	53.5	.2	.7
1974	30.3	14.5	15.8	93.4	58.2	.7	2.7
1975	30.7	12.2	18.5	104.7	65.2	.1	.4
1976	34.6	11.2	23.4	142.4	74.1	(1)	--
1977	35.4	17.4	18.0	132.3	79.5	1.1	2.4
1978	37.3	15.1	22.2	112.5	84.6	11.3	22.2
1979	36.7	18.0	18.7	115.2	90.3	11.4	28.8
1980	37.5	19.7	17.8	139.4	98.9	2.0	6.2
1981					111.0		
Virginia fire-cured, type 21							
1972	5.4	1.3	4.1	64.2	50.8	(1)	.1
1973	6.2	1.7	4.5	75.5	53.5	(1)	--
1974	5.7	.7	5.0	81.7	58.2	.3	4.5
1975	4.8	1.4	3.4	93.0	65.2	(1)	.9
1976	6.1	3/ 2.0	4.1	118.0	74.1	.1	1.5
1977	5.2	2.8	2.4	96.2	79.5	1.0	14.4
1978	4.6	1.0	3.6	94.5	84.6	1.8	26.2
1979	7.0	3.2	3.8	107.9	90.3	.9	16.3
1980	4.6	2.6	2.0	128.1	98.9	.3	7.2
1981					111.0		

1/ Less than 50,000 pounds. 2/ Based on November 1 crop prospects. 3/ Includes 400,000 pounds fire loss, December 1976.

Table 23--Dark air-cured tobacco, types 36-36, and Sun-cured tobacco type 37: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1972-81

(Farm-sales weight)

Marketing year beginning October	Acreage harvested	Yield per acre	Production	Beginning stocks: Manufacturers and other	Beginning stocks: Under loan	Beginning stocks: Total	Total supply
	Thousand acres	Pounds	Million pounds				
			Dark air-cured, types 35-36				
1972	8.2	1,875	15.5	33.5	12.7	46.2	61.7
1973	7.6	1,647	12.4	31.9	12.8	44.7	57.1
1974	7.0	1,653	11.6	31.4	5.5	36.9	48.5
1975	8.0	1,750	14.0	32.7	(1)	32.9	46.9
1976	9.3	1,660	15.1	28.2	--	28.2	43.3
1977	11.2	1,809	20.4	26.1	--	26.1	46.5
1978	11.2	1,969	22.2	30.4	(1)	30.4	52.6
1979	9.7	1,665	16.1	30.0	4.1	34.1	50.2
1980	9.3	1,745	16.2	28.6	5.6	34.2	50.4
1981 2/	9.8	1,776	17.4	29.6	6.8	36.4	53.8
			Sun-cured, type 37				
1972	.8	1,010	.8	3.0	0	3.0	3.8
1973	.7	1,320	.9	3.2	0	3.2	4.1
1974	.7	1,315	.9	3.0	0	3.0	3.9
1975	.7	930	.7	2.3	0	2.3	3.0
1976	.7	1,115	.8	2.1	0	2.1	2.9
1977	.8	1,030	.8	1.8	0	1.8	2.6
1978	.7	1,205	.9	1.8	0	1.8	2.7
1979	.5	1,055	.6	2.2	0	2.2	2.8
1980	.4	1,010	.4	2.0	0	2.0	2.4
1981 2/	.5	1,225	.6	1.8	0	1.6	2.2

	Disappearance: Total	Disappearance: Domestic	Disappearance: Exports	Average price per pound	Price support level	Placed under loan: Quantity	Placed under loan: Percentage of crop
	Million pounds			Cents		Million pounds	Percent
			Dark air-cured, types 35-36				
1972	17.0	14.7	2.3	50.3	45.2	1.2	.8
1973	20.2	17.4	2.8	61.9	47.6	(1)	.2
1974	15.6	12.8	2.8	76.9	51.8	.4	3.7
1975	18.7	16.1	2.6	89.8	58.0	.1	.5
1976	17.2	15.1	2.1	116.6	65.9	(1)	--
1977	16.1	13.6	2.4	117.7	70.7	(1)	--
1978	18.4	15.7	2.7	99.1	75.2	4.3	19.7
1979	16.0	14.2	1.8	111.7	80.4	2.2	13.7
1980	14.0	12.0	2.0	126.5	88.0	1.4	8.6
1981					98.7		
			Sun-cured, type 37				
1972	.6	.4	.2	57.9	45.2	0	--
1973	1.1	.9	.2	69.2	47.6	0	--
1974	1.6	1.3	.3	82.1	51.8	3/ 13	1.4
1975	.9	.7	.2	85.5	58.9	0	--
1976	1.1	.9	.2	105.0	65.9	0	--
1977	.8	.6	.1	100.0	70.7	3/ 13	1.6
1978	.5	.3	.2	88.8	75.2	3/ 109	12.4
1979	.8	.6	.2	90.8	80.4	3/ 30	5.2
1980	.8	.7	.1	127.1	88.0	0	0
1981					98.7		

1/ Less than 50,000 pounds. 2/ Based on November 1 crop prospects and estimated stocks. 3/ Quantity placed under loan in thousands of pounds.

Table 24-Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1972-81 Cont.
(Farm-sales weight)

Crop year	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
	Thousand acres	Pounds	Million pounds						Cents
Northern Wisconsin Binder (type 55)									
1972	5.8	1,770	10.3	19.0	29.3	9.8	9.8	.*	49.0
1973	5.3	1,775	9.4	19.5	28.9	12.0	12.0	.*	60.7
1974	4.7	1,870	8.8	16.9	25.7	9.9	9.9	.*	75.4
1975	5.4	1,835	9.9	15.8	25.7	9.7	9.6	.1	75.1
1976	5.5	1,750	9.6	16.0	25.6	9.4	9.4	.*	75.2
1977	5.8	2,045	11.9	16.2	28.1	9.1	9.1	.1	85.5
1978	5.9	1,550	9.1	19.1	28.2	8.9	8.9	.1	100.5
1979	6.6	1,810	11.9	19.3	31.2	--	--	.1	117.0
1980	6.6	1,910	12.6	4/	--	--	--	*	125.0
1981 2/	7.1	1,875	13.3	4/					
Total Wisconsin Binder (types 54-55)									
1972	10.8	1,731	18.7	39.3	58.0	19.1	19.1	*	48.5
1973	10.2	1,859	19.0	38.9	57.9	22.2	22.2	*	60.6
1974	9.4	1,965	18.5	35.8	54.3	18.7	18.7	*	75.1
1975	11.0	1,891	20.8	35.6	56.4	17.2	17.1	.1	75.1
1976	11.1	1,821	20.2	39.2	59.4	19.4	19.4	*	75.2
1977	12.0	2,032	24.4	40.0	64.4	19.3	19.3	.1	85.0
1978	12.1	1,678	20.3	45.1	65.4	20.1	20.1	*	100.5
1979	12.9	1,942	25.0	45.3	70.3	21.4	21.4	*	117.0
1980	12.8	1,978	25.3	48.9	74.2	18.5	18.5	*	125.0
1981 2/	13.4	1,946	26.1	55.7	81.8				
Total Cigar Binder (types 51-55)									
1972	12.4	1,714	21.2	46.7	67.9	21.5	21.4	.1	51.1
1973	11.8	1,841	21.7	46.4	68.1	25.4	25.3	.1	62.1
1974	10.9	1,934	21.0	42.8	63.8	22.0	21.8	.2	76.0
1975	12.5	1,851	23.2	41.8	65.0	21.5	21.2	.3	76.9
1976	12.6	1,795	22.6	43.5	66.1	21.8	21.6	.2	76.5
1977	13.4	2,007	26.8	44.3	71.1	21.1	21.1	.1	88.4
1978	13.6	1,684	22.9	50.0	72.9	22.2	22.2	.1	105.6
1979	14.4	1,911	27.5	50.8	78.3	23.6	23.4	.2	120.9
1980	14.5	1,950	28.3	54.6	82.9	21.0	20.8	.2	131.0
1981 2/	15.1	1,921	29.1	61.8	90.9				
Connecticut Valley Shade-grown (type 61)									
1972	4.1	1,250	5.1	13.2	18.3	7.6	4.8	2.8	485.0
1973	5.0	1,210	6.1	10.7	16.8	8.3	6.4	1.9	515.0
1974	4.8	1,625	7.8	8.5	16.3	6.8	2.8	3.9	600.0
1975	4.4	1,371	6.0	9.5	15.5	8.0	4.2	3.8	640.0
1976	4.2	1,555	6.6	7.5	14.1	5.2	1.8	3.4	540.0
1977	3.3	1,544	5.1	8.9	14.0	4.7	.5	4.2	600.0
1978	2.7	1,392	3.8	9.3	13.1	5.0	.1	4.9	750.0
1979	2.7	1,472	4.0	8.1	12.1	5.4	.5	4.9	850.0
1980	3.0	1,513	4.5	6.8	11.3	5.9	2.3	3.6	980.0
1981 2/	2.6	1,500	3.9	5.3	8.9				
Total Shade-grown (types 61-62) 5/									
1972	7.1	1,365	9.7	19.8	29.5	11.8	8.6	3.2	387.0
1973	7.6	1,280	9.8	17.7	27.5	12.5	10.1	2.4	452.2
1974	6.6	1,652	11.0	15.0	26.0	10.4	6.0	4.4	536.1
1975	5.5	1,409	7.7	15.7	23.4	9.8	5.6	4.2	585.7
1976	4.6	1,565	7.2	13.6	20.8	7.7	3.8	3.8	528.2
1977	3.4	1,547	5.3	13.1	18.4	5.8	1.0	4.8	591.4
1978	2.7	1,392	3.8	12.7	16.5	6.3	1.0	5.3	750.0
1979	2.7	1,472	4.0	10.2	14.2	6.5	1.1	5.4	850.0
1980	3.0	1,513	4.5	7.8	12.3	6.1	2.2	3.9	980.0
1981 2/	2.6	1,500	3.9	6.2	10.1				
Grand Total Cigar Tobacco (types 41-62)									
1972	40.4	1,434	58.1	156.4	214.5	80.7	77.1	3.6	104.4
1973	39.1	1,627	63.2	133.8	197.0	75.9	72.6	3.3	116.1
1974	35.2	1,848	65.1	121.2	186.3	67.7	62.8	4.9	142.5
1975	34.8	1,678	58.4	118.6	177.1	60.3	55.4	4.9	135.1
1976	35.7	1,709	61.0	116.8	177.7	58.2	53.7	4.4	121.4
1977	34.7	1,900	65.9	119.5	185.4	55.2	50.0	5.2	114.9
1978	33.1	1,752	58.0	130.1	188.2	58.6	53.2	5.5	122.1
1979	31.6	1,684	53.2	129.9	183.1	59.7	53.8	5.9	155.6
1980	33.0	1,861	61.4	123.4	184.8	54.6	50.0	4.6	171.8
1981 2/	33.9	1,829	62.0	130.2	192.2				

1/October 1 for types 41-55; July 1 for types 61-62. 2/November crop prospects. 3/Puerto Rican planting occurs late in calendar year. Price per pound excludes payment by Puerto Rican Government. 4/Not available. 5/Includes Georgia-Florida shade-grown, type 62 which has not been grown since 1978. July 1, 1981, stocks were 0.8 million pounds. See TS-176 for annual supply and disappearance. *Less than 50,000 pounds.

Table 24-Cigar tobacco, types 41-62: Oomestic supplies, disappearance, and season average prices, 1972-81
(Farm-sales weight)

Crop Year 1/	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks 1/	Total supply	Total	Oomestic	Exports	
	Thousand acres	Pounds	Million pounds						Cents
			Pennsylvania Seedleaf Filler (type 41)						
1972	13.0	1,400	18.2	70.2	88.4	34.7	34.4	.3	46.0
1973	13.0	1,700	22.1	53.7	75.8	28.3	27.5	.8	52.0
1974	13.0	2,000	26.0	47.5	73.5	24.3	24.0	.3	58.0
1975	12.0	1,650	19.8	49.2	69.0	22.2	21.8	.4	58.0
1976	13.5	1,750	23.6	46.8	70.4	20.7	20.3	.4	60.0
1977	13.5	1,940	26.2	49.7	75.9	21.8	21.6	.2	60.0
1978	13.0	1,940	25.2	54.1	79.3	23.6	23.5	.1	62.0
1979	11.2	1,580	17.7	55.7	73.4	24.3	24.0	.3	72.0
1980	13.0	1,900	24.7	49.1	73.8	21.7	21.4	.3	87.0
1981 2/	13.6	1,850	25.2	52.1	77.3				
			Ohio, Miami, Valley Filler (types 42-44)						
1972	2.4	1,780	4.2	7.0	11.2	4.4	4.4	--	44.0
1973	2.2	1,420	3.1	6.8	9.9	4.0	4.0	--	51.0
1974	2.0	1,530	3.1	5.9	9.0	3.1	3.1	--	59.0
1975	2.1	1,620	3.4	5.9	9.3	3.6	3.6	--	60.0
1976	2.2	1,550	3.4	5.7	9.1	3.1	3.1	--	59.0
1977	1.8	2,025	3.6	6.0	9.6	2.6	2.6	--	62.0
1978	1.6	1,850	3.0	7.0	10.0	3.7	3.7	--	64.0
1979	1.3	1,500	2.0	6.3	8.3	4.5	4.5	--	87.0
1980	1.4	1,700	2.4	3.8	6.2	4.1	4.1	--	107.0
1981 2/	1.5	1,500	2.3	2.1	4.4				
			Puerto Rico Filler (type 46) 3/						
1972	5.6	883	4.8	12.7	17.5	8.3	8.3	--	42.1
1973	4.5	1,435	6.5	9.2	15.7	5.7	5.7	--	42.1
1974	2.7	1,477	3.9	10.0	14.0	7.9	7.9	--	45.5
1975	2.7	1,500	4.3	6.1	10.4	3.2	3.2	--	50.7
1976	2.8	1,429	4.1	7.2	11.3	4.9	4.9	--	57.6
1977	2.6	1,480	3.9	6.4	10.3	3.9	3.9	--	60.2
1978	2.2	1,400	3.1	6.4	9.5	2.6	2.6	--	57.0
1979	2.0	1,000	2.0	6.9	8.9	.8	.8	--	69.1
1980	1.1	1,380	1.5	8.1	9.6	1.6	1.6	--	73.5
1981 2/	1.1	1,380	1.5	8.0	9.5				
			Total Cigar Filler (types 41-46)						
1972	21.0	1,293	27.2	89.9	117.1	47.4	47.1	.3	45.0
1973	19.7	1,450	31.7	69.7	101.4	38.0	37.2	.8	49.7
1974	17.7	1,870	33.1	63.4	96.5	35.3	35.0	.3	56.6
1975	16.8	1,687	27.5	61.2	88.5	28.8	28.4	.4	56.2
1976	18.5	1,681	33.1	59.7	90.2	28.1	27.7	.4	59.4
1977	17.9	1,883	33.7	62.1	95.8	28.3	27.0	.3	60.2
1978	16.8	1,863	31.3	67.5	98.8	29.9	29.8	.1	61.5
1979	14.5	1,475	21.7	68.9	90.6	29.6	29.3	.3	73.1
1980	15.5	1,845	28.6	61.0	89.6	27.5	27.0	.5	87.5
1981 2/	16.2	1,790	29.0	62.1	91.2				
			Connecticut Valley Binder (types 51-52)						
1972	1.6	1,600	2.5	7.4	9.9	2.4	2.3	.1	70.1
1973	1.6	1,721	2.7	7.5	10.2	3.2	3.1	.1	72.8
1974	1.5	1,737	2.5	7.0	9.5	3.3	3.1	.2	82.0
1975	1.5	1,582	2.4	6.2	8.6	4.3	4.1	.2	92.7
1976	1.5	1,605	2.4	4.3	6.7	2.4	2.3	.1	89.6
1977	1.4	1,784	2.5	4.3	6.8	1.9	1.9	.*	121.3
1978	1.5	1,734	2.6	4.9	7.5	2.1	2.0	.1	144.9
1979	1.5	1,637	2.4	5.5	7.9	2.2	2.0	.2	161.5
1980	1.7	1,743	2.9	5.7	8.6	2.5	2.3	.2	180.0
1981 2/	1.7	1,734	3.0	6.1	9.1				
			Southern Wisconsin Binder (type 54)						
1972	5.0	1,685	8.4	20.3	28.7	9.3	8.3	--	48.0
1973	4.9	1,950	9.6	19.4	29.0	10.1	10.1	--	60.5
1974	4.7	2,060	9.7	18.9	28.6	8.8	8.8	--	74.9
1975	5.6	1,945	10.9	19.8	30.7	7.5	7.5	--	75.1
1976	5.6	1,890	10.6	23.2	33.8	10.0	10.0	--	74.7
1977	6.2	2,020	12.5	23.8	36.3	10.2	10.2	--	84.6
1978	6.2	1,800	11.2	26.0	37.2	11.4	11.4	--	100.5
1979	6.3	2,080	13.1	25.8	38.9	--	--	--	117.0
1980	6.2	2,050	12.7	4/	--	--	--	--	125.0
1981 2/	6.3	2,025	12.8	4/	--				

See footnotes at end of table.

Table 25 --Tobacco: Acreage, yield, production, stocks, supply, disappearance, price and crop value, United States and Puerto Rico, 1947-81
(Farm-sales weight)

Crop year	Acreage	Yield per acre	Production	Stocks 1/	Supply	Disappearance 1/			Average price per pound to growers	Crop value
						Total	Domestic	Exports		
	1,000 acres	Pounds	Million pounds						Cents	Million dollars
	United States									
Average:										
1947-49	1,676	1,208	2,019	2,947	4,965	1,908	1,417	491	45.9	926
1950-54	1,690	1,292	2,184	3,382	5,566	2,006	1,479	527	51.2	1,118
1955-59	1,242	1,541	1,914	4,095	6,009	1,951	1,397	554	56.0	1,072
1960-64	1,159	1,879	2,178	3,911	6,089	2,037	1,468	569	60.0	1,307
1965	977	1,898	1,855	4,496	6,351	2,000	1,462	538	65.1	1,207
1966	972	1,939	1,885	4,351	6,236	2,098	1,392	704	66.5	1,252
1967	960	2,050	1,968	4,140	6,108	2,020	1,372	648	66.8	1,316
1968	879	1,945	1,710	2/4,088	5,798	1,975	1,352	623	69.5	1,189
1969	918	1,964	1,803	3,823	5,626	1,949	1,308	640	71.8	1,296
1970	898	2,122	1,906	3,678	5,584	1,919	1,278	639	72.9	1,389
1971	839	2,034	1,705	2/3,667	5,372	1,883	1,312	571	78.6	1,340
1972	842	2,076	1,749	2/3,488	5,237	1,951	1,312	639	83.0	1,451
1973	889	1,963	1,746	2/3,289	5,035	2,081	1,348	732	90.0	1,572
1974	963	2,067	1,994	2/2,948	4,942	1,937	1,284	653	108.6	2,160
1975	1,083	2,015	2,182	2/3,003	5,185	1,941	1,286	655	102.6	2,239
1976	1,045	2,045	2,136	3,297	5,433	1,907	1,229	678	112.5	2,404
1977	958	1,997	1,913	2/3,540	5,452	1,895	1,202	693	118.6	2,268
1978	948	2,135	2,054	2/3,560	5,584	1,955	1,190	765	132.4	2,679
1979	827	1,845	1,527	2/3,601	5,128	1,869	1,175	694	141.1	2,154
1980	918	1,943	1,782	3,258	5,040	1,759	1,128	631	152.3	2,715
1981 3/	963	2,102	2,025	3,280	5,305				4/169.4	4/3,430
	United States and Puerto Rico									
Average:										
1947-49	1,710	1,200	2,045	3,012	5,057	1,942	1,447	495	45.6	932
1950-54	1,728	1,282	2,215	3,430	5,645	2,036	1,508	527	50.9	1,127
1955-59	1,270	1,528	1,941	4,147	6,088	1,981	1,426	555	55.6	1,080
1960-64	1,188	1,861	2,211	3,957	6,168	2,066	1,497	569	59.7	1,319
1965	994	1,882	1,871	4,559	6,430	2,027	1,489	538	64.8	1,212
1966	981	1,934	1,899	4,403	6,300	2,121	1,415	704	66.2	1,256
1967	967	2,045	1,979	4,181	6,160	2,037	1,390	648	66.7	1,319
1968	885	1,941	1,718	2/4,122	5,840	1,992	1,368	623	69.3	1,191
1969	923	1,960	1,810	3,849	5,658	1,961	1,320	640	71.7	1,298
1970	902	2,120	1,912	3,698	5,609	1,928	1,288	639	72.9	1,391
1971	844	2,031	1,714	2/3,682	5,394	1,893	1,321	571	78.5	1,342
1972	848	2,068	1,759	2/3,501	5,260	1,959	1,320	639	82.9	1,453
1973	894	1,960	1,752	2/3,298	5,050	2,087	1,355	732	89.8	1,574
1974	966	2,066	1,998	2/2,958	4,956	1,941	1,288	653	108.5	2,162
1975	1,087	2,013	2,186	3,009	5,195	1,945	1,290	655	102.5	2,241
1976	1,048	2,042	2,140	3,305	5,445	1,912	1,234	678	112.4	2,406
1977	960	1,995	1,915	2/3,546	5,461	1,899	1,206	693	118.5	2,270
1978	950	2,133	2,027	2/3,567	5,594	1,958	1,193	765	132.3	2,684
1979	829	1,843	1,529	2/3,608	5,137	1,870	1,176	694	141.0	2,161
1980	919	1,942	1,784	3,266	5,049	1,761	1,130	631	152.2	2,716

1/ For flue-cured and cigar wrapper, year beginning July 1; for all other types, October 1. 2/ Includes tobacco carried over on farms; 1968, 13 million pounds; 1971, 16 million pounds; 1972, 17 million pounds; 1973, 7 million pounds for flue-cured and 13 million pounds for burley; 1974, 5 million pounds; 1977, 21 million pounds; 1978, 23 million pounds; 1979, 29 million pounds. 3/ November estimate. 4/ Estimated.

Table 26.--United States exports of unmanufactured tobacco by types, to principal importing countries, crop years, 1978/79-1980/81 1/

(Declared weight)

Importing country	1978/79	1979/80	1980/81	Importing country	1978/79	1979/80	1980/81 2/
	Million pounds				Thousand pounds		
	Flue-cured, types 11 - 14				Va. fire & sun-cured, types 21 & 37		
United Kingdom	92.4	40.9	32.2	Switzerland	538	15	95
West Germany	39.9	65.8	51.4	Norway	1716	1775	701
Japan	71.5	62.3	58.2	Sweden	416	192	291
Netherlands	11.8	23.2	20.3	West Germany	71	642	99
Thailand	15.1	15.0	17.0	Other countries	383	617	556
Australia	8.6	10.6	8.7				
Italy	16.0	15.8	15.5	Total	3124	3241	1739
Sweden	5.7	7.8	7.5				
Norway	2.7	4.3	2.7		One Sucker, type 35		
Finland	5.0	6.6	6.1				
Denmark	14.4	6.0	7.3	Bahamas	0	13	0
Ireland	6.0	3.7	2.2	Zaire	154	0	0
Belgium-Luxembourg	7.4	4.9	5.6	Other countries	68	106	126
Switzerland	6.7	6.6	8.6				
Rep. of Korea	17.4	9.8	.1	Total	222	117	129
Philippines	5.8	7.8	6.2				
Spain	10.4	14.0	24.9		Green River, type 36		
Malaysia	9.6	6.7	4.6				
Taiwan	33.9	24.1	13.2	United Kingdom	42	13	42
Egypt	10.4	12.2	10.9	Benin (Dahomey)	64	0	0
Other countries	48.8	50.5	57.8	Zaire	117	0	0
				Other countries	86	2	4
Total	439.5	398.6	361.0				
				Total	309	15	46
	Burley, type 31						
					Cigar Filler, type 41-44		
Italy	17.3	10.4	11.5				
Sweden	2.0	2.8	2.1	Canada	13	0	18
Denmark	2.4	4.5	.8	France	77	68	163
Netherlands	5.1	8.9	.6	Other countries	40	168	298
Japan	14.8	9.6	13.6				
West Germany	6.0	23.6	19.2	Total	130	238	478
Switzerland	4.8	2.4	5.0				
United Kingdom	4.5	1.2	.6		Binder, types 51-55		
Thailand	4.6	7.6	3.6				
Philippines	5.9	3.6	3.3	Dominican Republic	53	68	60
Other countries	18.5	17.4	12.3	Switzerland	15	0	0
				Canada	2	75	110
Total	85.9	91.6	73.0	Other countries	4	9	15
	Maryland, type 32			Total	74	152	185
Belgium-Luxembourg	.6	.5	.6		Cigar Wrapper, types 61-62		
West Germany	1.7	1.2	1.3				
Switzerland	2.7	5.2	3.9	United Kingdom	478	633	441
Other countries	2.7	.7	.8	West Germany	87	68	40
				Canada	22	58	20
Total	7.7	7.6	6.6	Dominican Republic	3287	3433	2337
				Netherlands	542	363	236
	Ky.-Tenn. fire cured, types 22-23			Other countries	313	255	459
Sweden	.5	.7	.4	Total	4729	4810	3532
Netherlands	10.9	9.8	9.6				
Belgium-Luxembourg	.3	.9	.5		Black Fat		
France	.3	1.8	2.0				
Switzerland	.8	.4	.2	Dahomey	1609	1162	1764
Other countries	6.6	2.9	2.7	Cameroon	317	225	0
				Niger	241	456	430
Total	19.4	16.4	15.4	Nigeria	253	46	359
				Togo	417	344	0
	Stems, Trimmings, and Scrap 2/			Other countries	127	172	498
Sweden	3.0	4.5	4.5	Total	2964	2405	3049
Denmark	7.0	8.0	1.0				
United Kingdom	18.3	7.0	8.7		Other Unmanufactured		
West Germany	11.2	9.4	12.2				
Japan	19.5	13.2	24.0	Spain	0	2392	2041
Other countries	28.2	36.1	29.7	Other countries	4717	5891	5531
Total	87.2	78.2	79.1	Total	4717	8283	7573

1/ July-June crop year for flue-cured and cigar wrapper; October-September crop for all other types except October-July for 1980/81. 2/ Subject to revision.

Compiled from publications and records of the Bureau of the Census.

COSTS OF PRODUCING BURLEY TOBACCO: 1980 AND 1981 AND PROJECTED 1982

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ABSTRACT: Variable and total costs per acre of producing burley tobacco rose by 11 percent in 1981 and both are expected to increase again, by about 6 percent in 1982. Prices of petroleum-based inputs and wage rates are forecasted to rise at a slower rate in 1982 compared with 1981. These estimates are based on information from a 1977 survey of 790 burley tobacco producers in the Bluegrass and south-central areas of Kentucky and north-central and eastern Tennessee. That information has been updated with prices for 1980 and 1981 and price projections for 1982. The level of technology and the input mix for 1980-82 are assumed to be the same as for 1976, except for market-preparation labor and fungicide use.

KEYWORDS: Burley tobacco, variable costs, total costs, yield.

INTRODUCTION

The costs of producing burley tobacco during 1980 and 1981, along with projections for 1982, are presented in this article. The major source of data for the cost estimates is a 1977 survey of the 1976 costs of 790 tobacco producers in five major Kentucky and Tennessee production areas (table 1). The data have been updated from the 1976 base period by use of price indexes for individual input items.[1] The technology and the input mix for 1980-82 are assumed to be the same as in 1976, except for two changes. Because of the outbreak of blue mold in the field in 1979 and the continued threat of this disease, it is assumed that 75 percent of 1980 production and 90 percent of 1981 and 1982 output are treated with a fungicide to control the problem. Also, farmers are changing from hand tying to baling burley tobacco as a means of preparing it for market. Baling reduces labor requirements. About 15 percent of the production in the study area was baled in 1980. It is assumed that 40 percent will be baled in 1981, and 60 percent in 1982.

Production costs vary widely from farm to farm because of differences in management, labor productivity, and other factors. The ones reported reflect the average costs of farmers in the specified production areas.

The cost estimates cover variable costs, machinery and barn ownership, and general farm overhead. Variable costs include expenditures for all labor, fertilizer and lime, pesticides, sucker control chemicals, curing and heating fuel, custom operations, fuel and lubricants, repairs, tobacco crop insurance, marketing fees, and other costs, such as seed and plant bed canvas.

Hired, family, and exchange labor are all charged at prevailing farm-wage rates. Machinery and barn ownership costs reflect the estimated age of these items for the years for which costs are calculated. General farm overhead includes costs for recordkeeping, utilities, and other items that are difficult to allocate to specific enterprises. Two additional cost components, management and land and quota (the right to grow and market tobacco without a penalty), are also estimated. The management charge is computed as 7 percent of the value of the crop. Crop value is calculated for 1980, using the average annual price received by farmers and estimated 1980 yields. For the 1981 preliminary estimate, the first two week's price average of $1.80 a pound is used, and $1.85 is the price projected for 1982. Yields for 1980 are based on USDA Statistical Reporting Service estimates within the study areas. The 1981 yield estimate is based on the Statistical Reporting Service's November 1 yield forecast, and the 1982 figure is an average of yields during the last 10 years.

The charge for land and quota is based on the net share rent approach. Net share rent is the value of the landlord's share of the crop after subtracting landlord payments for fertilizer, chemicals, and other inputs and allocating barn ownership costs.

[1]For a more complete discussion of the concepts and procedures that underlie burley tobacco production cost estimates see "Cost of Producing Burley Tobacco—1976," Verner N. Grise, *Tobacco Situation,* TS-163, Washington, D.C., USDA, March 1978, pp. 37-42.

Table 1--Counties included in burley tobacco production areas

Area 1 1/	Area 2 2/	Area 3 3/	Area 4	Area 5
Kentucky	Kentucky	Kentucky	Kentucky	Tennessee
Bourbon	Anderson	Bath	Adair	Campbell
Clark	Bracken	Boyle	Allen	Carter
Fayette	Carroll	Fleming	Casey	Claiborne
Jessamine	Franklin	Garrard	Clinton	Cocke
Mercer	Gallatin	Henry	Cumberland	Grainger
Scott	Grant	Madison	Green	Green
Woodford	Harrison	Marion	Lincoln	Hamblen
	Nicholas	Mason	Monroe	Hancock
	Owen	Montgomery	Pulaski	Hawkins
	Pendleton	Nelson	Russell	Jefferson
	Robertson	Oldham	Taylor	Johnson
		Shelby	Wayne	Sevier
		Spencer		Sullivan
		Trimble	Tennessee	Unicoi
		Washington		Union
			Clay	Washington
			Jackson	
			Macon	
			Pickett	

1/Includes much of what is usually referred to as the Inner Bluegrass of Kentucky.
2/Includes counties with more than half their physical area in what is usually termed the Intermediate Bluegrass of Kentucky.
3/Includes counties with more than half their physical area in what is usually termed the Outer Bluegrass of Kentucky.

COST CHANGES FROM 1980 TO 1981

The variable costs of producing burley tobacco rose 11 percent an acre in 1981 (tables 2 and 4). However, the increase was only 3 percent per 100 pounds, because yields were higher in 1981 than in 1980.[2]

Labor costs account for about 60 percent of all variable costs. Wage rates rose by 11 percent in 1981. A major factor in this increase was a 25-cent boost in the Federal minimum wage rate, from $3.10 to $3.35 an hour for farm employees covered under the law.[3] Effective January 1, 1981, the higher minimum wage rate affected all farm employers, because noncovered farms are competing with covered farms for workers.

Fuel prices rose by 15 percent in 1981, compared with a 40-percent jump in 1980. Fertilizer prices also climbed more slowly, 13 percent in 1981, compared with 25 percent a year earlier.

Total costs per acre, excluding land and quota, rose by 11 percent in 1981. Total costs per 100 pounds were 2 percent higher in 1981 (tables 3 and 5). Purchase prices of new machinery and construction costs of new barns continued to climb as they have since the early 1970's.

Land and quota charges averaged $51.12 per 100 pounds in 1981, compared with $47.14 in 1980. The increase reflects higher tobacco prices that more than offset larger landlord expenditures.

[2]Yields for the United States are used, yield data by production area are not available for 1981.

[3]Farm employers who have hired 500 or more man-days of labor during at least one calendar quarter of the previous year are subject to the Federal minimum wage rate.

PROJECTED COSTS IN 1982

Both variable and total costs per acre are expected to rise about 6 percent in 1982 (tables 2 and 4). Costs per 100 pounds are expected to increase by 5 percent if yields are similar to the 1971-80 average (tables 3 and 5).

Wage rates are likely to rise again, but at a somewhat slower rate than in 1981. No change in the Federal minimum wage is scheduled in 1982. Also, unemployment rates may be higher in the general economy, and this might increase the availability of farm laborers. Furthermore, labor needs will decline as growers continue to change to less-labor-intensive methods of preparing tobacco for market.

Fuel prices may rise only slightly in 1982. Ample supplies of fuel are likely to be available, and demand for fuel in all uses has been declining.

Fertilizer prices are expected to climb more slowly in 1982. Nitrogen supplies should be adequate in 1982, and phosphate and potash will likely be plentiful. For 2 years in a row, producer-held inventories of phosphate and potash have increased.

Pesticide prices are also expected to rise more slowly than they did last year. Supplies may be ample next year, and inventories are above normal.

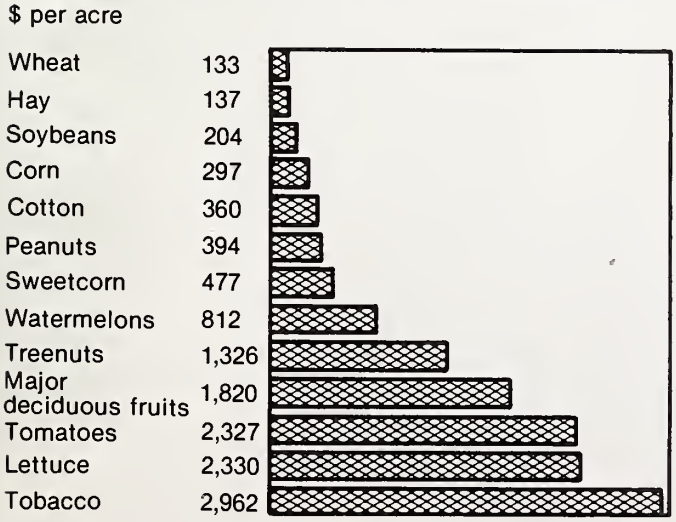
Total costs, excluding land and quota, are projected to rise to $3,385 an acre in 1982—$145.60 per 100 pounds of tobacco. Despite an expected moderation in the rate of input price increases in 1982, variable costs, together with the costs of machinery, equipment, and barns, will continue upward. The charge for land and quota is forecast to increase to $52.54 per 100 pounds, compared with $51.24 in 1981.

SUMMARY AND CONCLUSIONS

The total cost per acre for producing burley tobacco, excluding land and quota, will likely rise by about 6 percent in 1982, compared with 11 percent in 1981. Key factors in the lower pace of expansion are the slower rates of increase in prices of inputs, such as fuel, fertilizer and wage rates.

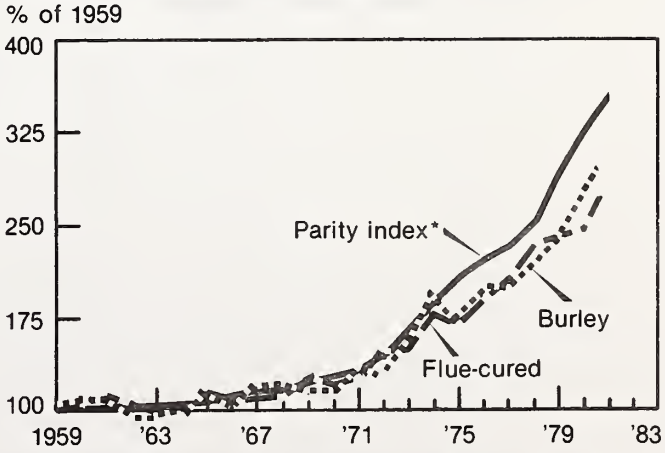
Costs vary markedly from one tobacco grower to another. The cost estimates presented here are averages and probably overstate those for a tobacco grower whose tractors, machinery, and barns are fully depreciated. On the other hand, the estimates understate the costs for a tobacco grower with new equipment and barns. Also keep in mind that the cost estimates include not only out-of-pocket costs but also an opportunity cost for the unpaid inputs of management and operator and family labor.

Farm Value per Acre for Selected Crops, 1980



USDA Neg. ERS 2205-81 (11)

Tobacco Prices and Parity Index



*Prices paid for all items including interest, taxes, and wage rates.

USDA Neg. ESS 782-81 (11)

Table 2--Burley tobacco: Production costs per acre, by cost item, specified areas, 1980

Cost Item	Area 1/					
	1	2	3	4	5	All
	- - - - - Dollars per acre - - - - -					
Variable 2/	1,933.01	2,146.92	1,875.78	1,910.53	1,867.28	1,939.74
Labor 3/	1,170.55	1,266.50	1,127.33	1,187.92	1,135.79	1,172.99
Hired	626.28	466.08	350.24	312.90	313.24	408.90
Family and exchange	213.47	400.42	390.44	427.36	423.31	371.61
Operator	330.80	400.00	386.65	447.66	399.24	392.48
Fertilizer and lime	147.32	232.41	195.72	188.66	207.85	193.31
Pesticides 4/	58.59	53.05	49.18	52.83	49.66	52.71
Sucker control chemicals	14.97	10.91	10.10	12.91	11.43	11.70
Curing and heating fuel 5/	24.23	21.97	12.90	9.31	5.08	14.50
Custom operations 6/	79.09	47.06	45.36	59.50	37.77	53.52
Fuel and lubricants	86.06	114.37	89.29	87.57	92.81	93.43
Repairs	55.57	73.58	50.92	49.49	51.04	55.31
Tobacco crop insurance 7/	36.74	63.11	34.06	26.65	30.69	37.30
Marketing fee	187.00	185.26	185.26	158.86	150.56	175.88
Other 8/	72.89	78.70	75.66	76.83	94.60	79.09
Machinery ownership costs 9/	243.02	331.05	236.13	292.43	387.48	291.51
Barn ownership costs 10/	315.50	232.15	332.18	311.49	321.65	300.18
Insurance 11/	40.10	40.74	31.81	34.84	41.34	37.20
Irrigation costs	30.82	37.17	13.84	1.14	3.60	16.83
General farm overhead	35.58	45.63	44.80	36.32	66.92	45.81
Management 12/	261.80	259.36	259.36	222.41	210.79	246.23
Total, excluding land and quota	2,859.83	3,093.02	2,793.90	2,809.16	2,899.06	2,877.50
Land and quota charge 13/	1,219.23	1,170.82	1,122.65	813.37	599.24	998.98
Yield per acre (pounds) 14/	2,253	2,232	2,232	1,914	1,814	2,119

1/ Area numbers refer to counties listed in table 1. 2/ Includes interest on operating expenses. 3/ Includes operator, family, and exchange labor valued at prevailing wage rates. 4/ Includes fungicides, herbicides, and insecticides. 5/ Includes fuel for aiding curing and heating the stripping room. 6/ Includes cost of materials in cases where the farmer could not separate the cost of the materials and the cost of the custom operations. 7/ Net of payment for losses. 8/ Includes tobacco seed, cover crop seed, plant bed canvas, car cost, mule and horse upkeep, and other miscellaneous items. 9/ Excludes insurance. 10/ Excludes insurance and taxes. 11/ Includes tobaccos' prorated share of general farm insurance, including machinery and barn insurance. 12/ Estimated at 7 percent of gross tobacco receipts. 13/ Calculated on net share rent basis. 14/ Based on Statistical Reporting Service county yield estimates.

Table 3--Burley tobacco: Production costs per 100 pounds, by cost item, specified areas, 1980

Cost Item	Area 1/					
	1	2	3	4	5	All
	- - - - - Dollars per 100 pounds - - - - -					
Variable 2/	85.80	96.19	84.04	99.83	102.95	91.54
Labor 3/	51.95	56.74	50.51	62.07	62.62	55.36
Hired	27.80	20.88	15.69	16.35	17.27	19.30
Family and exchange	9.47	17.94	17.49	22.33	23.34	17.54
Operator	14.68	17.92	17.33	23.39	22.01	18.52
Fertilizer and lime	6.54	10.41	8.77	9.86	11.46	9.12
Pesticides 4/	2.60	2.38	2.20	2.76	2.74	2.49
Sucker control chemicals	0.66	0.49	0.45	0.67	0.63	0.55
Curing and heating fuel 5/	1.08	.98	.58	.49	.28	.68
Custom operations 6/	3.51	2.11	2.03	3.11	2.08	2.53
Fuel and lubricants	3.82	5.12	4.00	4.58	5.12	4.41
Repairs	2.47	3.30	2.28	2.59	2.81	2.61
Tobacco crop insurance 7/	1.63	2.83	1.53	1.39	1.69	1.76
Marketing fee	8.30	8.30	8.30	8.30	8.30	8.30
Other 8/	3.24	3.53	3.39	4.01	5.22	3.73
Machinery ownership costs 9/	10.79	14.83	10.58	15.28	21.36	13.76
Barn ownership costs 10/	14.00	10.40	14.88	16.27	17.73	14.17
Insurance 11/	1.78	1.83	1.43	1.82	2.28	1.76
Irrigation costs	1.37	1.67	0.62	0.06	0.20	0.79
General farm overhead	1.58	2.04	2.01	1.90	3.69	2.16
Management 12/	11.62	11.62	11.62	11.62	11.62	11.62
Total, excluding land and quota	126.94	138.58	125.18	146.78	159.83	135.80
Land and quota charge 13/	54.11	52.46	50.30	42.50	33.03	47.14
Yield per acre (pounds) 14/	2,253	2,232	2,232	1,914	1,814	2,119

1/ Area numbers refer to counties listed in table 1. 2/ Includes interest on operating expenses. 3/ Includes operator, family, and exchange labor valued at prevailing wage rates. 4/ Includes fungicides, herbicides, and insecticides. 5/ Includes fuel for aiding curing and heating the stripping room. 6/ Includes cost of materials in cases where the farmer could not separate the cost of the material and the cost of the custom operation. 7/ Net of payment for losses. 8/ Includes tobacco seed, cover crop seed, plant bed canvas, car cost, mule and horse upkeep, and other miscellaneous items. 9/ Excludes insurance. 10/ Excludes insurance and taxes. 11/ Includes tobaccos' prorated share of general farm insurance, including machinery and barn insurance. 12/ Estimated at 7 percent of gross tobacco receipts. 13/ Calculated on net share rent basis. 14/ Based on Statistical Reporting Service county yield estimates.

Table 4--Burley tobacco: Production costs per acre, by cost item, study area, preliminary 1981 and projected 1982

Cost item	Year	
	1981	1982
	- - - Dollars per acre - - -	
Variable 1/	2,155.55	2,293.94
Labor 2/	1,270.59	1,346.10
Hired	442.88	469.16
Family and exchange	402.43	426.26
Operator	425.28	450.68
Fertilizer and lime	218.44	235.96
Pesticides 3/	68.25	73.82
Sucker control chemicals	13.10	14.28
Curing and heating fuel 4/	16.10	17.06
Custom operations 5/	64.22	71.31
Fuel and lubricants	107.44	111.71
Repairs	63.61	70.63
Tobacco crop insurance 6/	39.91	42.30
Marketing fee	206.10	215.06
Other 7/	87.79	95.71
Machinery ownership costs 8/	316.29	346.97
Barn ownership costs 9/	312.19	324.68
Insurance 10/	39.80	42.19
Irrigation costs	19.35	20.90
General farm overhead	51.31	55.41
Management 11/	288.54	301.09
Total, excluding land and quota	3,183.03	3,385.18
Land and quota charge 12/	1,170.65	1,221.56
Yield per acre (pounds) 13/	2,290	2,325

1/ Includes interest on operating expenses. 2/ Includes operator, family, and exchange labor valued at prevailing wage rates. 3/ Includes fungicides, herbicides, and insecticides. 4/ Includes fuel for aiding curing and heating the stripping room. 5/ Includes costs of materials in cases where the farmer could not separate the cost of the materials and the cost of the custom operation. 6/ Net of payment for losses. 7/ Includes tobacco seed, cover crop seed, plant bed canvas, car costs, mule and horse upkeep, and other miscellaneous items. 8/ Excludes insurance. 9/ Excludes insurance and taxes. 10/ Includes tobacco's prorated share of general farm insurance, including machinery and barn insurance. 11/ Estimated at 7 percent of gross tobacco receipts. 12/ Calculated on net share rent basis. 13/ The 1981 yield estimate is based on the USDA Statistical Reporting Service's November U.S. estimate adjusted for the higher yields that usually occur in the study area. The 1982 yield estimate is based on the USDA Statistical Reporting Service's 10-year U.S. average yield adjusted to reflect higher yields in the study area.

Table 5--Burley tobacco: Production costs per 100 pounds, by cost item, study area, preliminary 1981 and projected 1982

Cost Item	Year	
	1981	1982
	- - Dollars per 100 pounds - -	
Variable 1/	94.13	98.66
Labor 2/	55.48	57.90
Hired	19.34	20.18
Family and exchange	17.57	18.33
Operator	18.57	19.38
Fertilizer and lime	9.54	10.15
Pesticides 3/	2.98	3.18
Sucker control chemicals	0.57	0.61
Curing and heating fuel 4/	.70	.73
Custom operations 5/	2.80	3.07
Fuel and lubricants	4.69	4.80
Repairs	2.78	3.04
Tobacco crop insurance 6/	1.74	1.82
Marketing fee	9.00	9.25
Other 7/	3.83	4.12
Machinery ownership costs 8/	13.81	14.92
Barn ownership costs 9/	13.63	13.96
Insurance 10/	1.74	1.81
Irrigation costs	.85	.90
General farm overhead	2.24	2.38
Management 11/	12.60	12.95
Total, excluding land and quota	139.00	145.60
Land and quota charge 12/	51.12	52.54
Yield per acre (pounds) 13/	2,290	2,325

1/ Includes interest on operating expenses. 2/ Includes operator, family, and exchange labor valued at prevailing wage rates. 3/ Includes fungicides, herbicides, and insecticides. 4/ Includes fuel for aiding curing and heating the stripping room. 5/ Includes cost of materials in cases where the farmer could not separate the cost of the materials and the cost of the custom operation. 6/ Net of payment for losses. 7/ Includes tobacco seed, cover crop seed, plant bed canvas, car costs, mule and horse upkeep, and other miscellaneous items. 8/ Excludes insurance. 9/ Excludes insurance and taxes. 10/ Includes tobaccos' prorated share of general farm insurance, including machinery and barn insurance. 11/ Estimated at 7 percent of gross tobacco receipts. 12/ Calculated on net share rent basis. 13/ The 1981 yield estimate is based on the USDA Statistical Reporting Service's November U.S. estimate adjusted for the higher yields that usually occur in the study area. The 1982 yield estimate is based on the USDA Statistical Reporting Service's 10-year U.S. average yield adjusted to reflect higher yields in the study area.

STATISTICAL SUMMARY

Item	Unit or base period	1980		1981			Last data as percentage of a year earlier
		October	November	September	October	November	
Average price at auctions							
Flue-cured	Ct. per lb.	145.5	133.5	154.0	166.5	155.0	116
Burley	Ct. per lb.	closed	165.5	closed	closed	177.5	107
Maryland	Ct. per lb.	closed	closed	closed	closed	closed	
Virginia fire-cured	Ct. per lb.	closed	closed	closed	closed	closed	
Ky.-Tenn. fire-cured	Ct. per lb.	closed	closed	closed	closed	closed	
Ky.-Tenn. dark air-cured	Ct. per lb.	closed	closed	closed	closed	closed	
Virginia sun-cured	Ct. per lb.	closed	closed	closed	closed	closed	
Price support level 1/							
Flue-cured	Ct. per lb.	141.5			158.7		112
Burley	Ct. per lb.	145.9			163.6		112
Virginia fire-cured	Ct. per lb.	98.9			111.0		112
Ky.-Tenn. fire-cured	Ct. per lb.	98.9			111.0		112
Ky.-Tenn. dark air-cured	Ct. per lb.	88.0			98.7		112
Virginia sun-cured	Ct. per lb.	88.0			98.7		112
Connecticut Valley cigar binder	Ct. per lb.	101.0			113.3		112
Wis. binder and Ohio filler	Ct. per lb.	72.9			81.8		112
Puerto Rican filler	Ct. per lb.	75.7			84.9		112
Parity index 2/	1910-14=100	981	989	1042	1039	1039	105
Industrial production index 3/	1967=100	146.6	149.2	151.8	149.5	--	102
Employment	Mil.	97.2	97.3	98.3	98.2	--	101
Personal income 4/	Bil. dol.	2234.3	2257.6	2462.4	2476.7	--	111
		1980		1981			
		September	October	August	September	October	
Taxable removals							
Cigarettes	Bil.	54.9	62.1	58.7	58.1		106
Cigars and cigarillos	Mil.	387.9	403.3	319.8	367.8		95
Accumulated from Jan. 1							
Cigarettes	Bil.	465.4	527.6	429.4	487.5		105
Cigars and cigarillos	Mil.	2986.5	3389.9	2557.7	2925.5		98
Invoiced to domestic customers							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	22.8			22.3		98
Chewing tobacco	Mil. lb.	79.8			79.8		100
Snuff	Mil. lb.	17.6			18.9		107
Tax-exempt removals							
Cigarettes	Bil.	8.6	9.6	7.6	7.6		88
Exports	Bil.	7.8	8.2	6.5	7.1	7.3	94
Cigars and cigarillos	Mil.	16.3	17.9	17.8	16.5		101
Accumulated from Jan. 1							
Cigarettes	Bil.	69.6	79.2	62.3	70.0		101
Exports	Bil.	60.9	69.1	55.4	62.5	69.8	101
Cigars and cigarillos	Mil.	143.3	161.2	107.0	123.6		86
Invoiced for export							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	0.6			0.6		100
Chewing tobacco	Mil. lb.	0.1			0.2		200
Producer price indexes 5/							
Tobacco products	1967=100	247.6	248.9	268.6	274.2	278.0	112
Cigarettes (filtertip, king size)	1967=100	251.7	251.7	272.8	278.1	283.3	113
Cigars	1967=100	157.0	160.7	166.5	171.3	171.3	107
Smoking tobacco	1967=100	264.4	268.7	N/A	296.4	296.4	110
Plug chewing tobacco	1967=100	279.6	317.6	352.1	362.5	362.5	114
Snuff	1967=100	292.4	292.4	N/A	336.6	363.2	124
Consumer price indexes (urban)							
Tobacco products	1967=100	204.5	204.5	219.9	221.7	225.3	110
Cigarettes	1967=100	206.8	206.8	222.2	224.2	228.1	110
Other tobacco products 6/	Dec. 1977=100	122.8	123.2	132.9	133.1	134.0	109
Imports of tobacco (for consumption)							
Cigarette leaf	Mil. lb.	17.8	24.1	21.8	22.7	19.3	80
Cigar tobacco (leaf and scrap)	Mil. lb.	5.0	5.3	4.0	3.7	4.4	83
Other tobacco (leaf and scrap)	Mil. lb.	7.1	7.5	13.6	13.8	10.4	139
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	153.7	177.8	163.3	186.1	205.4	116
Cigar tobacco (leaf and scrap)	Mil. lb.	34.8	40.1	34.9	38.6	43.1	107
Other scrap and tobacco NSPF 7/	Mil. lb.	82.3	93.8	82.6	96.4	106.8	114

See footnotes at end of table.

Item	Unit or base period	1980		1981			Last data as percentage of a year earlier
		September	October	August	September	October	
Exports of leaf tobacco (farm-sales weight)							
Flue-cured	Mil. lb.	29.5	48.7	28.3	49.8	68.8	141
Burley	Mil. lb.	5.3	5.3	3.4	5.3	2.0	38
Maryland	Mil. lb.	.9	.3	.7	1.0	1.0	333
Virginia fire- & sun-cured	Mil. lb.	.1	.4	.1	.3	.3	75
Ky.-Tenn. fire-cured	Mil. lb.	.3	1.3	1.4	.7	1.5	115
Ky.-Tenn. dark air-cured	Mil. lb.	.4	.3	.3	.1	.3	100
Cigar wrapper	Mil. lb.	.4	.6	.2	.2	.2	33
Cigar binder	Mil. lb.	*	*	*	*	*	*
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	92.3	141.0	51.1	100.9	169.6	120
Burley	Mil. lb.	133.3		100.2	105.5		79
Maryland	Mil. lb.	10.0		7.8	8.7		87
Virginia fire- & sun-cured	Mil. lb.	4.0		1.9	2.1		53
Ky.-Tenn. fire-cured 9/	Mil. lb.	18.7		17.2	17.8		95
Ky.-Tenn. dark air-cured 9/	Mil. lb.	1.8		2.2	2.3		128
Cigar wrapper	Mil. lb.	.9	1.5	.4	.6	.8	53
Cigar binder	Mil. lb.	*		.2	.2		--
Cigar filler	Mil. lb.	*		.5	.5		--
Exports of manufactured tobacco in bulk and not elsewhere classified 10/	Mil. lb.	3.3	3.6	1.0	2.1	1.5	42
Accumulated from Jan. 1	Mil. lb.	15.2	16.4	8.2	10.3	11.8	72
		Quarterly data					
		1980		1981			
Stocks of tobacco--1st of quarter (farm-sales weight) 11/		Jul - Sept	Oct - Dec	Jul - Sept	Oct - Dec		
Domestic types							
Flue-cured	Mil. lb.	1965	2430	2013	2570		106
Burley	Mil. lb.	1162	1026	1141	1000		97
Maryland	Mil. lb.	48	39	42	37		95
Fire-cured	Mil. lb.	87	77	81	71		92
Dark air- and sun-cured	Mil. lb.	39	36	43	38		106
Cigar filler	Mil. lb.	67	61	68	62		102
Cigar binder	Mil. lb.	60	55	68	62		113
Cigar wrapper	Mil. lb.	8	7	6	6		86
Under Government loan 12/	Mil. lb.	693	698	663	630		90
Foreign types							
Cigarette and smoking	Mil. lb.	746	719	729	752		105
Oriental	Mil. lb.	367	336	324	320		95
Flue-cured	Mil. lb.	166	167	161	167		100
Burley	Mil. lb.	213	216	243	265		123
Cigar	Mil. lb.	95	93	89	94		101
Tobacco outlets 13/							
Seasonally adjusted data, annual rates, for charts, p. 2							
Cigarettes							
Production	Bil.	711.3	738.8	766.4	714.4		97
Tax-paid removals	Bil.	629.8	636.5	676.0	611.0		96
Cigar production							
Large	Bil.	4.10	4.09	4.17	4.05		99
Small	Bil.	1.37	1.43	1.46	1.43		100
Smoking production	Mil. lb.	31.0	34.7	29.6	33.0		95
Chewing production							
Loose leaf	Mil. lb.	66.5	70.3	74.2	72.2		103
Plug and other	Mil. lb.	32.9	34.8	31.9	36.6		105
Snuff production	Mil. lb.	24.1	23.2	27.4	27.4		118
Exports of leaf							
Total	Mil. lb.	632.1	640.8	665.2	820.0		116
Flue-cured	Mil. lb.	478.8	570.9	520.7	725.0		123

1/ 1980 and 1981 crops, respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Federal and applicable state and local taxes included. 6/ Includes tobacco accessories. 7/ Farm-sales weight equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Includes Black Fat. 10/ Smoking tobacco in bulk through December 1977. Beginning January 1978 blended strips no longer included. 11/ Holdings of manufacturers and dealers, including grower cooperatives. 12/ Reported by grower cooperatives. 13/ Latest quarter is estimated. *Less than 50,000 pounds. Detail may not add due to rounding.

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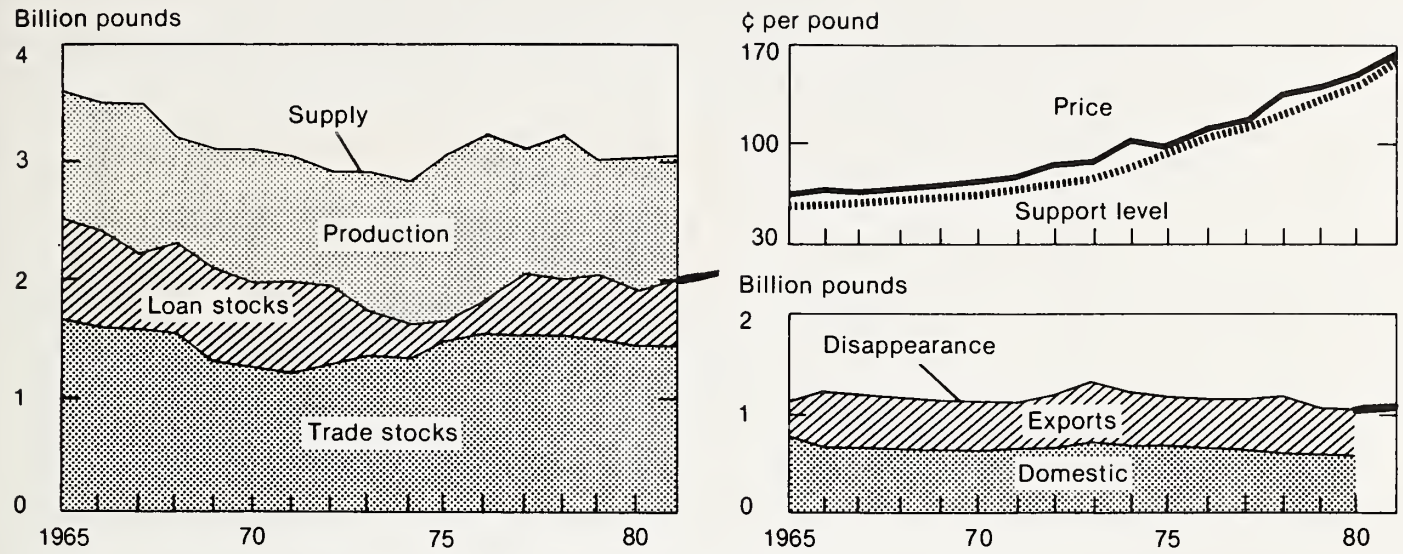
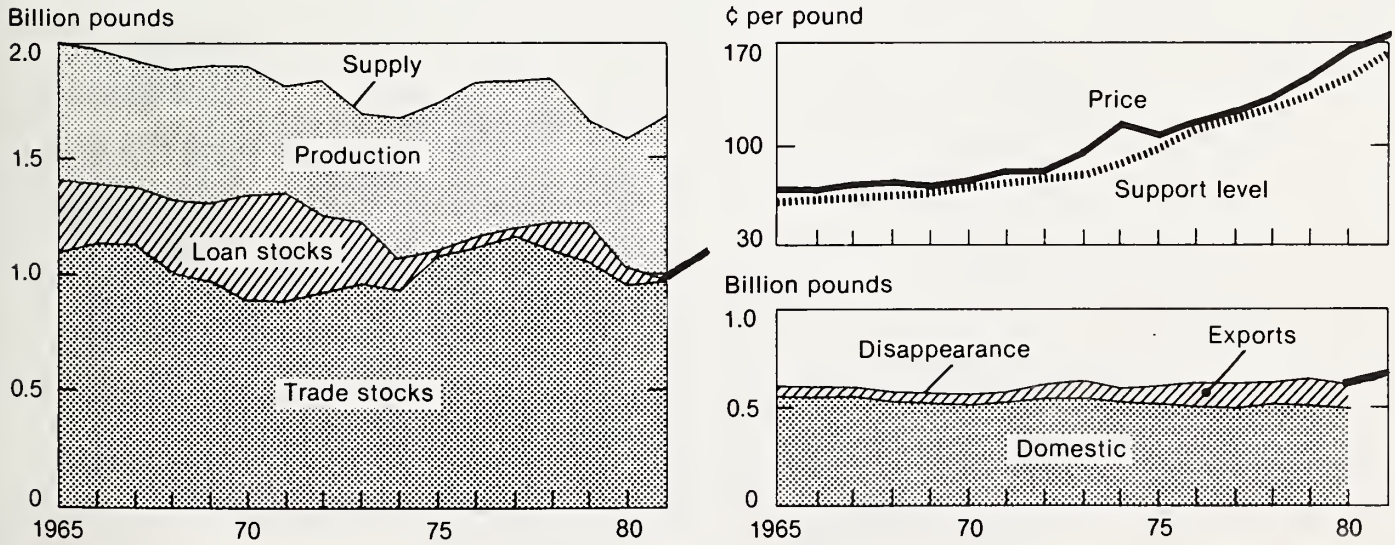
Flue-Cured Tobacco: Supply, Price, Use



Trade stocks include manufacturers' and dealers'. Crop year beginning July 1. 1980 preliminary, 1981 forecast.

Burley Tobacco: Supply, Price, Use



Trade stocks include manufacturers' and dealers'. Crop year beginning October 1. 1980 preliminary, 1981 forecast.

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